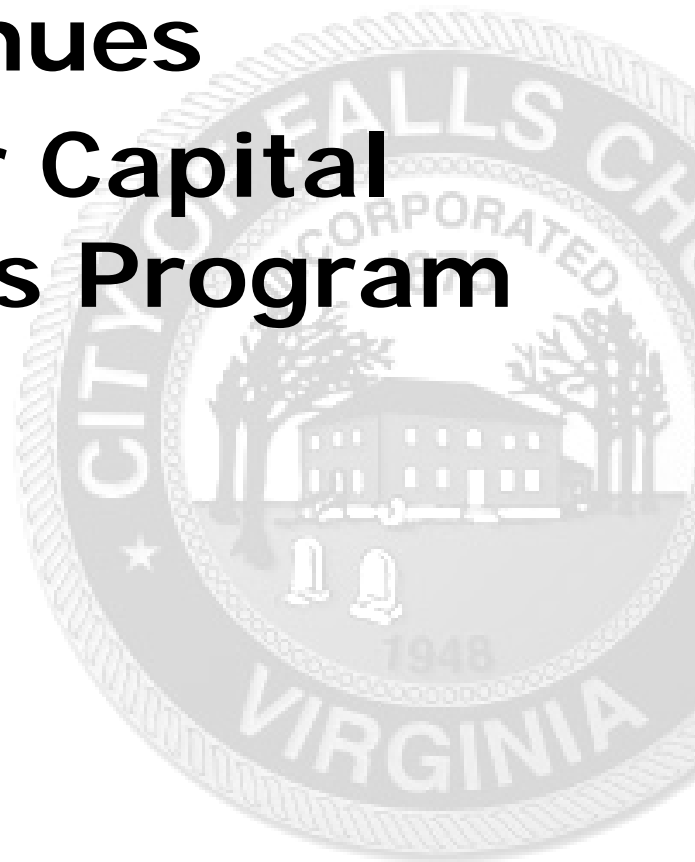




**CITY OF FALLS
CHURCH**

FY2014 PROPOSED BUDGET

**Annual Expenditures
& Revenues
& Five-Year Capital
Improvements Program**



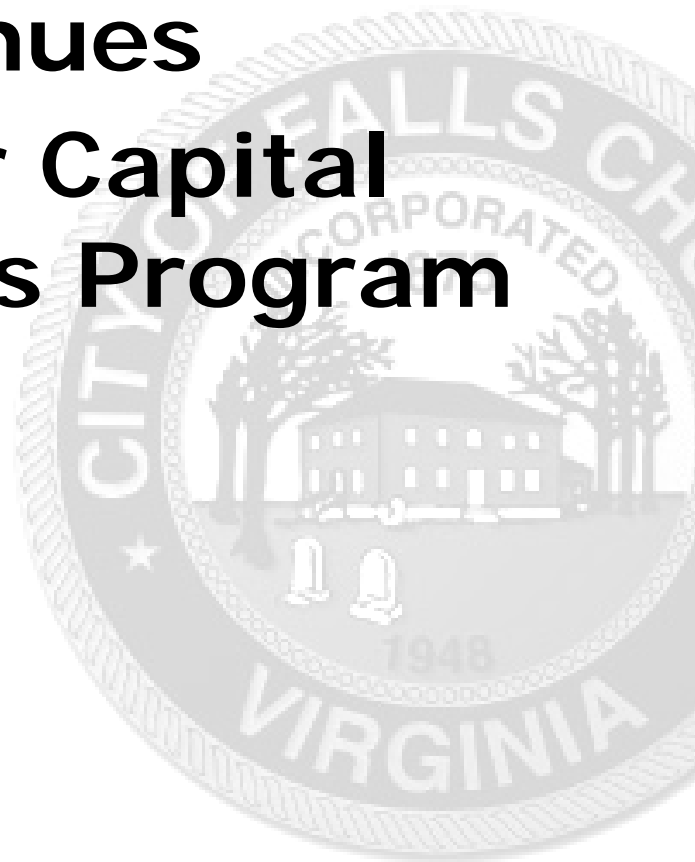


FY2014 PROPOSED BUDGET

Annual Expenditures & Revenues & Five-Year Capital Improvements Program

Policy of Non-Discrimination on the Basis of Disability

The City of Falls Church does not discriminate on the basis of disability in its employment practices or in the admission to, access to, or operations of its services, programs, or activities. Cindy Mester, 300 Park Avenue, Falls Church, VA 22046 has been designated to coordinate compliance with the ADA non-discrimination requirement.



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Harry E. Wells Building
300 Park Avenue
Falls Church, VA 22046
Tel: 703-248-5004 (TTY 711)
Fax: 703-248-5146

F. Wyatt Shields
City Manager

March 11, 2013

Honorable Mayor and Members of the Falls Church City Council, and
Taxpayers and Citizens of the City of Falls Church:

The proposed FY2014 Budget and Capital Improvements Program is balanced within revenue estimates, maintains the City's financial security, and meets the demand for outstanding government and school services by our community. The annual budget process allows the City to allocate resources to meet community needs, as expressed in the City Council's Vision Statement, adopted goals and plans, and Budget Guidance Statement.

The proposed Budget provides for a moderate increase in general government operating expenditures and a significant increase in expenditures to meet public education, storm water, and capital infrastructure needs. The proposed Budget funds the request adopted by the School Board on March 5, 2013. The Budget proposes the creation of a new Storm Water Utility Fund to address local flooding and Chesapeake Bay conservation mandates with a dedicated storm water fee based on impervious coverage.

The Budget as presented requires an increase in the real estate tax rate from \$1.27 to \$1.33 per \$100 of assessed value, a six cents increase. However, I recommend an advertised tax rate of \$1.41, an additional eight cents, to provide the Council with flexibility in its budget deliberations. Among the key areas where flexibility will be needed include: two cents on the tax rate to fund expenses proposed by the School Board to be transferred to the General Fund but not budgeted for; and six cents if the Council chooses not to create a storm water utility and keep stormwater costs in the General Fund.

Overview:

The FY2014 Budget sets revenue and expenditures at \$74,986,375, an increase of \$5,668,671 or 8.2% over FY2013. The following chart summarizes the change in expenditures from FY2013 to FY2014:

	Adopted FY2013	Proposed FY2014	\$ Change	%Change
General Government	\$ 32,590,376	\$ 33,870,535	\$ 1,280,159	3.9%
Grants	473,073	1,416,686	943,613	199.5%
Debt Service*	4,397,379	4,623,554	226,175	5.1%
School Transfer	29,903,800	33,775,600	3,871,800	12.9%
CIP & Capital Reserves	853,076	1,100,000	246,924	28.9%
Fund Balance Restoration	1,100,000	200,000	(900,000)	-81.8%
Total	\$ 69,317,704	\$ 74,986,375	\$ 5,668,671	8.2%

*Includes debt service for schools.

The FY2014 General Government operating budget, not including debt service, pay as you go capital projects, or grants provides for operating expenditures of \$33,870,535, a 3.9% increase over the current year. This rate of growth is in compliance with Council budget guidance to keep expenditures in line with revenues generated solely by economic growth (4.1%).

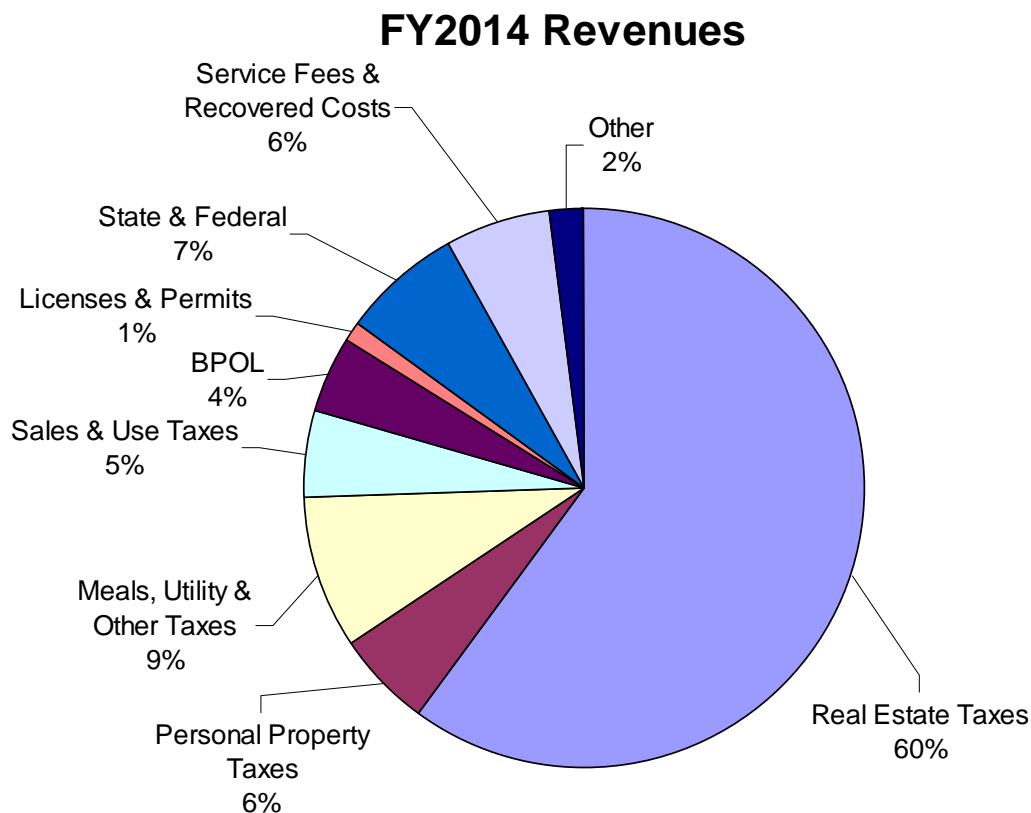
The School Board transfer request is \$33,775,600, which represents a 12.9% change from the transfer in FY2013. The total School Division budget of \$43,684,700 represents a 7.3% increase over the FY2013 budget.

The School Board's proposed Budget and transfer request does not fund FCC-TV (\$178,050) as it has done historically nor does it fund its agreement with the City Council to cover three years of debt service for the Thomas Jefferson Elementary School expansion for FY2013 or FY2014 (\$372,000). Additionally, the School Board Budget includes a new revenue of \$166,650 in the form of rent charged to the City Recreation and Parks Department for use of School facilities. These items, totaling \$716,700, are not funded in the proposed FY2014 Budget and decisions on them will need to be incorporated into the Budget before final adoption.

What follows is a more detailed summary of key provisions of this Budget, beginning with revenue projections.

FY2014 Revenue Projections

The Chart below provides a summary of the relative size of various sources of revenues for the City Budget.



A breakdown of key revenue projections for FY2014 as compared to FY2013 is provided in the table below.

Comparative Summary of Estimated Revenues

	Adopted FY2013	Proposed FY2014	\$ Change	% Change
Real Estate Taxes	\$ 41,319,000	\$ 44,728,000	\$ 3,409,000	8.3%
Personal Property	3,911,500	4,302,700	391,200	10.0%
Meals, Utility & Other Taxes	6,336,600	6,724,000	387,400	6.1%
Sales Tax	3,795,000	3,848,600	53,600	1.4%
Business Licenses	3,023,000	3,316,000	293,000	9.7%
Building Permits	543,210	776,000	232,790	42.9%
State & Federal	4,298,022	5,444,590	1,146,568	26.7%
Service Charges	4,393,772	4,467,985	74,213	1.7%
Other	1,697,600	1,378,500	(319,100)	-18.8%
Total	\$ 69,317,704	\$ 74,986,375	\$ 5,668,671	8.2%

The Summary of Estimated Revenues chart above reflects an improved City economy, relative to the period of 2008 – 2012. However, the combined effects of the federal “Sequester” and the increase in the payroll taxes on January 1 appear in the latest financial report in the form of slowing sales and meals tax receipts. The actual “year to date” revenues in FY2013 show modest growth in the business sector and this trend is reflected in our FY2014 revenue projections. Notably, personal property taxes are projected to increase 10%, meals tax receipts 6%, and business license receipts 10%, as compared to the FY2013 Budget projections. These projections are based on FY2012 experience and FY2013 year-to-date activity. We remain cautious about the strength and duration of the economic recovery in our assumptions for FY2014.

With respect to real estate revenues, the 8.3% growth is attributable to assessed value growth of 2.9% plus a proposed increase in the tax rate from \$1.27 to \$1.33 (six cents). The following chart summarizes changes to assessed value by property class over the past two calendar years:

	<u>CY2012</u>	<u>CY2013</u>
Single Family:	up 4%	up 4%
Townhouses:	up 4%	up 4%
Condominiums:	up 2%	up 1%
Commercial:	up 5%	up 2%
Apartments:	<u>up 5%</u>	<u>up 5%</u>
Overall:	up 4%	up 2.9%

The growth in assessed value reflects market appreciation and approximately \$22.3 million in new construction in the City.

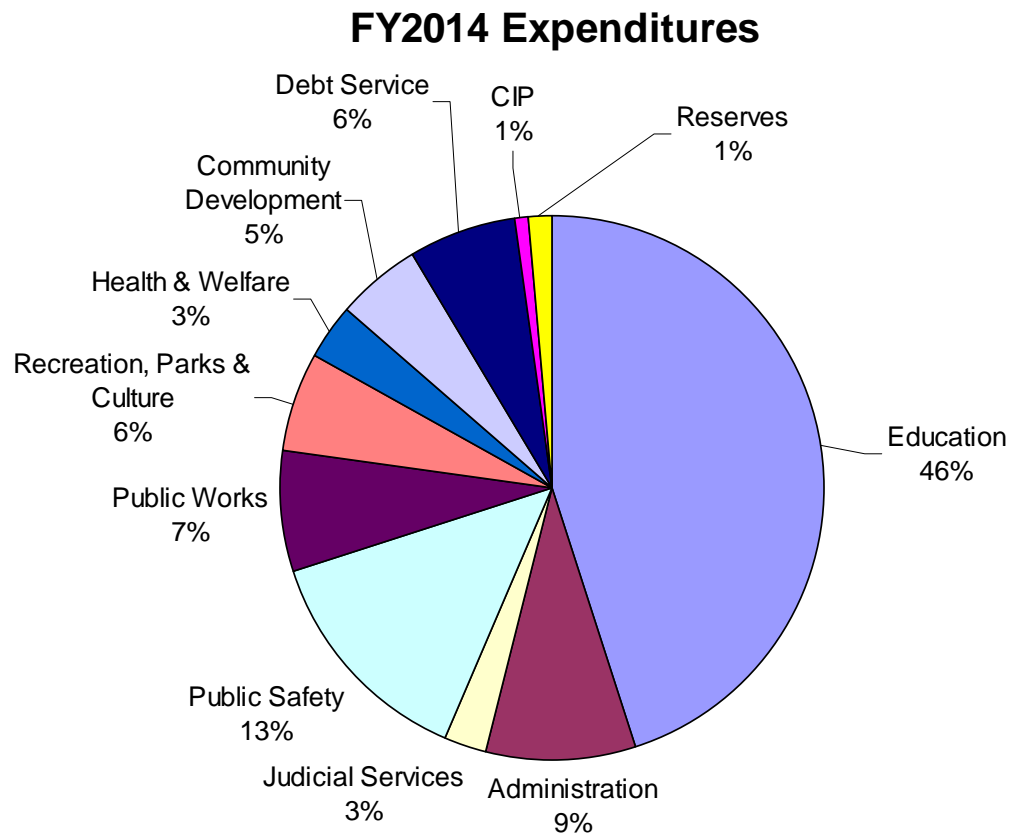
The City and other localities in the region experienced flat commercial valuation growth. The chart on the next page illustrates the City’s breakdown of real estate valuations by class of property, with a comparison with nearby localities. The City’s push to revitalize its commercial districts is driven in part by a desire to lower the share of property taxes borne by the homeowner.

Commercial Real Estate as Percentage of All Real Estate

2013	Residential	Apartments	Commercial
Falls Church City	73	5	22
Alexandria	57	15	28
Arlington	51	18	31
Fairfax City	84	3	13
Fairfax County	74	6	20

FY2014 Summary of Expenditures

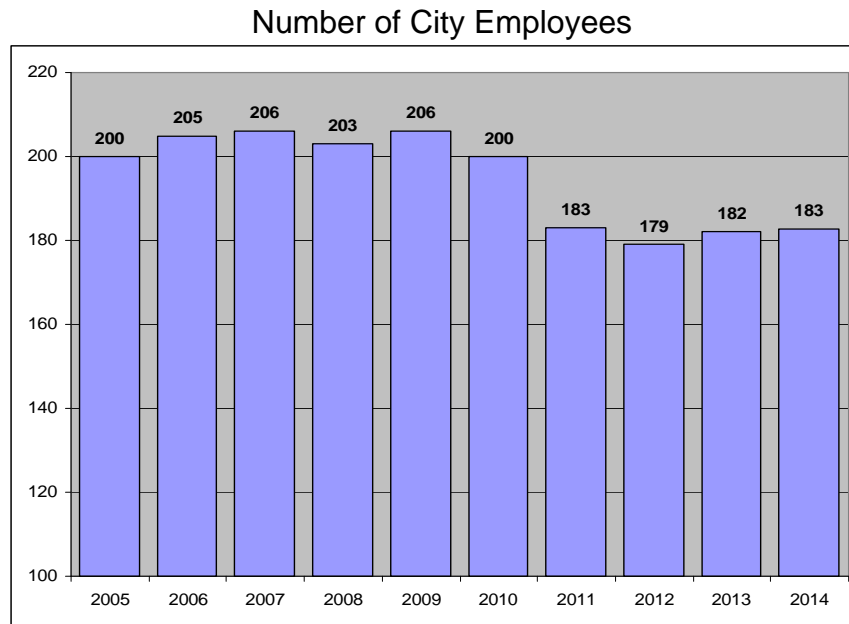
The Chart below provides an overview of the distribution of General Fund expenditures across City operations.



Staffing Levels

The FY2014 Budget funds 183 permanent positions in the General Fund, a net increase of one position. As the City has cut costs in response to financial difficulty in recent years, City staffing is 24 positions, or 11%, below the 206 positions funded in 2010. As this decrease in staffing was not accompanied by significant cuts in program or services, City employees have increased productivity and shouldered increased work load.

The graph below shows the number of City employees over the past ten years.



New positions:

Database Specialist: New staff position to address MUNIS administration needs, strengthen internal financial controls, and maintain proper continuity of City network operations to support all organizations citywide.

Senior Revenue Assistant: This position is requested to improve revenue assessment and processing in the Office of the Commissioner of Revenue.

Emergency Communications Technician: This position relieves critical understaffing in emergency 911 dispatch.

Eliminated positions:

Probation Counselor: Vacancy created as a result of retirement is not filled due to low caseload in Juvenile Court.

In addition, with the creation of the Storm Water Fund, allocations of certain public works employees' time are made to this new fund.

Budget Guidance: The City Council adopted a Budget Guidance Statement for the City Manager on December 10, 2012 after a review of preliminary revenue forecasts and the City's overall financial condition in a joint session with the School Board. Budget Guidance is a very useful way for Council to provide broad parameters for budget development and set expectations for key priorities and initiatives. What follows is a summary of Council guidance and how it is met in the proposed Budget.

- Review all City government programs and operations to achieve the most cost effective delivery of community services possible, and present alternatives that reduce costs through consolidation, mergers, contracting, partnerships, and other means. *City operations continue to be reviewed for efficiency. Particular focus has been on attempting to mitigate increases in inter-jurisdictional contract costs as well as seeking efficiencies in the sewer and storm water utilities.*

- Present a budget in which any increases in revenues for general government expenses are generated solely by economic growth. To the extent that this constraint on expenditures results in negative impacts to programs, equipment replacement, or infrastructure maintenance, information about those impacts should be provided to the City Council with the budget presentation. *The proposed budget for General Government does not require a tax increase. Economic growth is forecast to produce a 4.1% growth in revenue absent a real estate tax increase. The proposed General Government budget grows 3.9%.*
- If expenditures significantly exceed revenues and there is a need to reduce or eliminate programs, that in light of the need to undertake these reductions it would be Council's responsibility to select the areas for reduction. In as much as program reductions could represent a change or alteration of the Vision of the City, it is the Council's responsibility. *The School Board transfer request includes the proposed shifting of the FCC-TV costs to the general government. In addition, the request shifts the partial funding of the QSCB debt reserve to the general government. We will need to work together to address the future funding of these programs as they are not funded in this proposed budget.*
- Present a budget in which no less than \$1.3 million in revenue is used only for additional "pay as you go" capital projects, or set aside for capital reserves, fund balance restoration, and other identified long term financial obligations. *In the proposed Budget, \$600,000 is allocated for "pay go", \$500,000 to capital reserves, and \$200,000 to fund balance restoration.*
- Present a budget for operating expenditures that fully considers the spending constraints included in the multi-year financial model reviewed by Council as part of FY2013 Budget adoption. *The multi-year forecasts were fully considered, and the aggregate expenditure growth for General Government is within forecasts developed last year. There is significant variance within the aggregate, due to changing conditions.*
- Present an operating and capital budget that focuses on infrastructure maintenance and improvements. *The proposed Budget calls for \$15.4 million in capital funding, including \$1.1 million in grant or proffer funded projects, and \$600,000 in pay as you go funding. A more detailed description is provided below, and in the Capital Improvements Program section of this budget.*
- Present a capital improvements plan for meeting the City's critical needs, including general government and school facilities, parks, buildings, transportation, and storm water infrastructure. *See above.*
- Provide the Council with options for dedicated funding long term storm water system capital improvements, including the option of the creation of a stand alone storm water enterprise fund. *The proposed budget assumes the creation of a storm water utility separate from the General Fund, with a new revenue stream based on impervious surface coverage.*
- Present a five year capital plan that: a) maintains an unassigned fund balance at the policy target as set by City Council resolution; and b) maintains annual debt service expenditures below policy limits set by Council resolution. *The proposed budget is in compliance with adopted policies with respect to fund balance and debt service.*
- Multi-year projections: present revenue and expenditure projections for FY15 and more general projections for FY16 through FY18, so that FY14 budget decisions can be assessed in the context of long term sustainability. The multi year forecasts should include operating and capital expenditure projections. *This budget document provides a multiyear outlook in the Financial Summary section. The Finance Director will provide a long range financial overview at the worksession on March 18.*

- Present a budget that provides a level of employee compensation that is competitive within the regional labor market and sustainable over the long term. *The proposed Budget provides a 3% increase in compensation for employees. This is comparable with other local governments in the area.*
- Present a budget that fully funds City Basic and Police pension plan actuarially required contributions (ARC) as called for in the actuarial report of 2012. *The ARC is fully funded.*
- Identify current and potential future financial risks to the City stemming from state decisions regarding VRS and provide the Council with options, including possibly setting aside funds for future VRS obligations, in light of the state's current under funding of those obligations. *Requires joint discussions with School Board to determine options for creating and funding a reserve to address future increases in retirement cost.*
- Provide the City Council with a recommendation on the pros and cons of acting to align the City's Fiscal Year and Tax Year. *The budget, as proposed, does not change the current fiscal year or tax year. The pros and cons of making such a move will be presented and discussed during the budget review process.*

CAPITAL IMPROVEMENTS PROGRAM (CIP)

The CIP contains significant projects in FY2014 and the subsequent four year planning period. As with last year's CIP, major funding is provided for City public facility improvements, transportation improvements on the primary corridors, storm water mitigation and park improvements.

The chart below summarizes the project amounts, by area.

PROJECT AREA	FY2014	FY2014-FY2018
INFORMATION TECHNOLOGY	\$507,500	\$507,500
PUBLIC SAFETY	\$ 2,058,048	\$ 2,258,048
PUBLIC FACILITIES (includes general government & schools)	10,133,500	128,258,790
TRANSPORTATION	2,245,000	5,780,000
PARKS & RECREATION	430,000	1,878,000
TOTAL GENERAL GOVERNMENT & SCHOOLS	\$15,374,048	\$138,682,338
WATER FUND	\$ -	\$ 27,235,000
SEWER FUND	1,475,463	11,793,334
STORMWATER FUND	1,800,000	11,300,000
TOTAL UTILITY FUNDS	\$ 3,275,463	\$ 50,328,334

The projects are described in more detail in the Capital Improvements Program section of this Budget. The projects are targeted in the following areas: school and general government facilities expansion and renovation, maintaining facility infrastructure, roadbed reconstruction, pedestrian and traffic calming improvements, park master plan implementation, storm water infrastructure, maintaining a reliable and safe water distribution system, and continuing improvements in the collection and treatment of wastewater.

City Council has placed a strong focus on restoring the financial stability of the City as expressed in its adopted Vision statement on Sound Finances, the FY2014 Budget Guidance and the 2011 Financial

Policies. This proposed CIP for FY2014-FY2018 executes and is consistent with these policies. In the Budget, \$1.3M is dedicated to future capital needs, including capital reserves (\$500,000), pay as you go (\$600,000), and fund balance restoration (\$200,000).

WATER , SEWER, AND STORMWATER FUNDS

The City's enterprise funds will experience significant change in the coming year. The City Council has reached an agreement with Fairfax County and Fairfax Water on terms of sale of the Water Utility, subject to approval by the voters of the City by referendum on November 5, 2013. The proposed Budget provides for a full fiscal year of operating revenues and expenditures. Assuming the voters approve the sale, the Budget may be amended to reflect the sale of the system and its impact across all City operations. Sanitary sewer services will remain with the City but how we staff the sanitary utility will be restructured and reorganized in light of the sale of the water utility. The creation of a new Stormwater Utility is proposed with this Budget to meet the higher level of service required in this area due to new federal regulations, ageing infrastructure, and flooding.

Drinking Water: The City's water rate of \$3.27 per 1,000 gallons will remain unchanged.

Sanitary Sewer: Sewer Utility commodity rates will increase by 9.0% to a rate of \$8.62 per 1,000 gallons. The increases are needed to pay for EPA Chesapeake Bay mandates for nitrogen and phosphate removal at the sewer treatment plans that serve the City. The rates are in keeping with the financial plan laid out in a rate study completed in January 2011. This budget funds the Sewer Fund Operating and Maintenance Reserves and the Repairs, Replacement, and Rehabilitation Reserve, while continuing to fully fund our obligations with regards to EPA regulations.

Storm Water: The Budget proposes the creation of a new Storm Water Utility Fund to meet the rising costs of regulatory compliance, replacement of aging infrastructure, reducing flooding, and improving water quality. The storm water capital and operating costs are moved out of the General Fund to the new Storm Water Fund, and a fee based on impervious coverage is proposed to fund all storm water related activities. This will allow for greater transparency and accountability for the rate payer, will allow the costs to be more equitably, and allow rate payers to reduce their costs if they take actions to reduce their impervious coverage. This proposal has been discussed extensively prior to this Budget presentation and is made pursuant to the adopted Watershed Management Plan and the City Council Work Plan.

Water Fund

	<u>FY 2013</u>	<u>FY 2014</u>
Expenditures:	\$21,315,000	\$20,995,000
Rates:	\$3.27	\$3.27

Sewer Fund

	<u>FY 2013</u>	<u>FY 2014</u>
Expenditures:	\$3,055,000	\$3,185,000
Rates:	\$7.91	\$8.62

Stormwater Fund

	<u>FY 2013</u>	<u>FY 2014</u>
Expenditures:	\$ -	\$1,800,000
Rates:	\$ -	\$19.80 per 200 sq ft of impervious surface.

*These numbers include operating expenditures and exclude capital projects.

LOOKING AHEAD

The FY2014 Proposed Budget is influenced by continuing turbulence in the economic forecast for the Washington Metropolitan Region. The City uses a multi-year budget model to test assumptions and scenarios for future costs and revenue trends. By understanding the assumptions behind financial forecasts, we are able to think more clearly about our long term objectives for infrastructure improvement, effective operations, and workforce development, and options for achieving them.

Significant issues for the future include:

- The sale of the Water System, if approved by the voters next November 2013, will provide a net financial benefit to the City of approximately \$10 million and opens the prospect of future revenues from economic development associated with a boundary adjustment. The sale of the Water System also will require significant adjustments to the City operating budget due to the loss of the administrative cost allocation (\$1.1 million per year) from the Water Fund, the Water Utility share of the City's fleet management program (\$400,000 per year), and other impacts. In addition, the Sewer fund will need to be restructured as it is separated from the Water Fund, as sewer administration and engineering is provided currently through a cost allocation model with the Water Fund. The Agreement holds the prospect of potential long term financial benefits accompanied by necessary financial adjustments.
- Continued uncertainty in the real estate markets. The Budget assumes a 2.5% increase in real estate values in calendar year 2014, which is applied to the second real estate tax billing in FY2014.
- Trends at the state and federal level point to continued reductions in inter-governmental aid. The City will rely more each year on locally generated revenues as the primary funding source to pay for local services. The state share of services provided by the City, such as education and public safety, continues to decline. As the federal government tackles its budget deficit, declines in all streams of domestic discretionary spending can be expected.
- City debt levels are well within adopted policy limits at the present time, but projected capital spending for new facilities, as planned in the Capital Improvements Program, will present the Council with difficult choices involving additional spending reductions to provide room for debt service or additional revenues from existing or newly-identified sources. This budget sets aside \$0.2 million to restore unassigned fund balance and \$0.5 million to establish a new capital reserve fund, which will help smooth the cost of new debt service.
- Inter-jurisdictional agreement costs are increasing at rates that exceed revenue growth rates.
- Increasing school enrollment is forecast for the School Division, which will impact school budgets.
- Virginia Retirement System costs will increase in FY2015 and each biennium thereafter, as the statewide public teachers pension fund is currently significantly under funded.
- \$2.6M of unmet needs. The proposed FY2014 operating budget is 3% higher than the budget approved by the City Council in the spring of 2007. Six years of government operations with flat budgets has given rise to a host of needed investments for operational effectiveness but are not provided for in this budget. These will need to be addressed in the future.

Alongside these areas of concern, there are many reasons to remain confident that the financial challenges faced by the City of Falls Church will be successfully overcome. The City's highly educated citizenry translates into a per capita income that remains high in comparison to other counties and cities in the

nation. Residential property values are supported by the City's strategic location, as well as our abundant economic, cultural and educational resources. Developer interest in the City's key commercial areas continues, and presents the City with an opportunity to grow its tax base and shape its own future. All this helps explain why the City of Falls Church continues to enjoy strong credit ratings: Moody's Aa1; Standard & Poor's AA; and Fitch AAA. The City Council has adopted and adheres to financial policies on fund balance and debt levels that reflect a prudent approach to fiscal management while still allowing for a targeted use of borrowing and pay-as-you-go funding to meet community needs.

This proposed Budget reflects tough decisions given the uncertain economic picture but upholds the sound management policies described above and charts a path toward implementing the Council's adopted Vision and Strategic Plan. I look forward to working with the City Council and the community as this budget is improved through a process of extensive review, questions, discussion, and in the end, sound decisions on how best to meet the needs and values of the City of Falls Church.

Respectfully,

A handwritten signature in black ink, appearing to read "Wyatt Shields". The signature is fluid and cursive, with the first name "Wyatt" being more prominent than the last name "Shields".

F. Wyatt Shields
City Manager

**FY2014 PROPOSED BUDGET
CITY
INTRODUCTION**



CITY COUNCIL

Nader Baroukh

Mayor

David F. Snyder

Vice Mayor

Johannah Barry

Phil Duncan

Ira Kaylin

Ronald Peppe

David Tarter

CITY OFFICIALS

F. Wyatt Shields, *City Manager*

Cindy L. Mester, *Assistant City Manager*

Richard A. La Condre, MPA, *Director of Finance*

John E. Foster, *City Attorney*

Kathleen C. Buschow, *City Clerk*

Catherine Kaye, *City Treasurer*

Thomas D. Clinton, *Commissioner of the Revenue*

S. Stephen Bittle, *Sheriff*

Dr. Toni Jones, *Superintendent of Schools*

In 2025, Falls Church is an independent city that respects its citizens and provides personal attention to meeting their needs. It is a unique place to live, work, and shop, offering diversity in housing, amenities, and services. Its historic charm reflects the stewardship of residents and their local government. It is built on a human scale, where visitors and residents alike can find everything they need while experiencing the fabric of life in a friendly, close-knit community. Falls Church is celebrated as a city that offers the benefits of small town life in a 21st century urban village. The City is financially sound, environmentally sustainable, and a leader in one of our nation's most dynamic metropolitan areas.

The people of the City of Falls Church have built a community that expresses their belief in certain unifying principles:



WORLD CLASS PUBLIC SCHOOLS

The Falls Church City public school system is at the heart of our identity as a community. Public schools are why the City was established and have always been central to its success. The people of Falls Church are committed to providing all children with the tools and skills necessary to achieve personal and professional success in a fast-changing and highly competitive world economy. This requires a continuing focus on outstanding staff, up-to-date facilities, innovative leadership, and the efficient use of resources.



OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH

City Staff provide first-class, professional services to all citizens. The City Council and City Manager actively reach out to assure that the whole community is engaged in decisions affecting the City's well-being and sustainability. In this pursuit, the Council and City Staff are guided by the core values of accountability, transparency, and responsiveness. Citizens receive accurate and timely information and have the opportunity to be heard and influence the outcome of the deliberative process. The City Council demonstrates bold leadership in setting priorities and making decisions as necessary to sustain the City's viability and unique small-town quality of life.



SOUND FINANCES

Sound finances are a key benchmark of efficient and effective government in Falls Church. City staff and elected officials use fiscal policies, budget procedures, and investment strategies that incorporate best practices in support of prudent decision-making. The budget is balanced every year and current and future liabilities and expenditures are covered by identified revenue sources. The City adheres to all statutory and policy requirements regarding debt funding limits and always meets its short- and long-term financial obligations. It has long maintained a strong bond rating and responsibly managed its finances to achieve optimal value for its citizens and minimize the burden on taxpayers.



SUCCESSFUL DEVELOPMENT

Falls Church City offers a harmonious mix of residential, commercial, and retail venues due to the community's focus on smart design, walkability, and human scale. Innovative, clear, and enforceable standards are in place that reflect attention to historic preservation, environmental sensitivity, and long-term sustainability. New development is compatible with existing neighborhood aesthetics, density, and scale. The City government works with regional counterparts to share this vision and ensure that Falls Church retains its distinctiveness and competitiveness in the region. Falls Church's City Center is a focal point where residents and visitors gather to work and play, helping to sustain the City's special sense of community and place.

**NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE**

Falls Church welcomes the participation of its citizens in creating an environment where everyone is a neighbor. City neighborhoods are attractive, pleasant, safe, and welcoming places to live. In Falls Church, people join together to shape their streets, sidewalks, and public spaces. City streets and thoroughfares are tree-lined, pedestrian-friendly, and offer visitors and passersby a true window into our community and its values.

**DIVERSITY**

Falls Church is a place where people of all means and backgrounds are welcomed and encouraged to participate in all aspects of community life. Racial, ethnic, economic, and other facets of human experience enrich the community by providing it with a diverse mix of outlooks and views on world, national, and local issues and problems. Falls Church is a vibrant and successful community because it welcomes and promotes diversity.

**ENVIRONMENTAL HARMONY**

The people of Falls Church believe protecting and nurturing a healthy natural environment is one of their highest callings. The City's public and private development reflect this belief in tangible ways. Parks, open spaces, and clean waterways are valued as recreational, ecological, and economic resources. Environmentally friendly residential and commercial buildings throughout the City incorporate nationally accepted benchmarks for the design, construction, and operation of high performance green-buildings. The City integrates sustainability into all of its operations, including a strong emphasis on reducing dependence on fossil fuels.

**INNOVATION**

The people of Falls Church are leaders and innovators in many areas of human endeavor. The City capitalizes on this resource by finding and nurturing emerging ideas and bringing them together with public and private capital. Falls Church is one of the leaders among area jurisdictions in evolving and promoting forward-thinking businesses that combine capital investment with stewardship of our natural resources. The City has a variety of special enterprise zones serving the "green technology entrepreneur" as well as the basic needs of its residents.

**A SPECIAL PLACE**

Falls Church is a place where people enjoy doing everyday tasks, as well as experiencing diverse cultural, recreational, and civic opportunities. The Falls Church, Tinner Hill, Cherry Hill Farm, the State Theatre, residential neighborhoods, and quaint 19th century homes are alive with historical meaning and testify to the City's rich heritage, which is both respected and enhanced by the 21st century redevelopment of City Center. The City is a magnet for artists, artisans, and musicians, with many venues for performances and exhibits. Its dozens of fine restaurants and other eateries make it a destination of choice for residents and countless people from elsewhere in the metropolitan area. The City's vibrant, pedestrian-friendly commercial corridor and City Center include attractive shops and boutiques, as well as retail stores that respond to every shopper's interests and pocketbook. There is always something going on in Falls Church, whether it be the Saturday Farmers Market, the famous Memorial Day Parade, concerts in the park, or one of many other events.

*Adopted by City Council January 12, 2009
Resolution 2009-04*



WORLD CLASS PUBLIC SCHOOLS

GOAL 1 City Council/School Board Collaboration - Facilitate collaboration between the City Council and School Board, and between the professional staff of General Government and Schools so that City resources are shared and put to their best and fullest use.

OBJECTIVE 1 - Establish regular meetings between the City Council and School Board to communicate key issues and coordinate budget and policies.

OBJECTIVE 2 - Ensure efficient organization of Human Resources by fostering closer functional collaboration between the general government and non-instructional school staffs, to improve service delivery and promote the best allocation of City resources.

OBJECTIVE 3 - Ensure efficient use of facilities by maximizing the public use of general government and school recreation facilities, such as gyms, playing fields, parks, and public buildings, for the use and enjoyment of the whole community.



OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH

GOAL 1 Civic Engagement - Provide citizens with meaningful, relevant, and convenient ways to participate in local government.

OBJECTIVE 1 - Provide opportunities for groups and individuals to share ideas, inform government decisions, and actively participate in civic life.

GOAL 2 Government Accessibility - Provide City services in form and function in a manner that is responsive to citizen needs.

OBJECTIVE 1 - Provide simple and intuitive access to public services and information.

OBJECTIVE 2 - Adopt best practices to ensure a positive customer experience

GOAL 3 High Performance - Cultivate a customer driven focus for the City organization, in which leadership, initiative, diversity, and teamwork are celebrated, and high performance is expected and rewarded.

OBJECTIVE 1 - Cultivate a customer driven focus for the City organization, in which leadership, initiative, diversity, and teamwork are celebrated, and high performance is expected and rewarded.

OBJECTIVE 2 - Provide systematic and ongoing opportunities for professional development, training, ethical cultural development and promotion.

OBJECTIVE 3 - Ensure accountable, transparent, and responsive service by achieving work plan goals and objectives.

GOAL 4 City Hall - Reshape City Hall to make it more accessible and “user friendly” for the public, and enhance its visual appeal in a way that reflects its position at the center of civic life of the City.

OBJECTIVE 1 - Lead an effective public decision making process for the redesign/relocation of City Hall.

GOAL 5 High Performing Water Utility - Maintain a high performing Water and Sewer Utility that supports the economic growth within its service territory in the County and City, and provides responsive customer service.

OBJECTIVE 1 - Adopt performance measures to track our progress in reducing costs and improving service to our customers.

GOAL 6 Strengthen Children and Families - Provide a comprehensive system of human services that promotes health, independence, and personal growth for all City residents.

OBJECTIVE 1 - Create a structure that promotes collaboration among all prevention and intervention service providers.

OBJECTIVE 2 - Promote the personal growth and well-being of youth and families through a comprehensive and coordinated array of community and school-based services.



SOUND FINANCES

The long-term strategic plan for this vision is currently being developed.



SUCCESSFUL DEVELOPMENT

GOAL 1 City Center Development - Facilitate mixed use development plans and a review process that provides new goods and services, enhances revenue, and is compatible with the Comprehensive Plan and community values.

OBJECTIVE 1 - Leverage market opportunities and forge public/private partnerships for phased City Center development that creates a vibrant, distinct, sustainable, great place.

GOAL 2 Mixed Use Development - Facilitate mixed use development plans and a review process that provides new goods and services, enhances revenue, and is compatible with the Comprehensive Plan and community values.

OBJECTIVE 1 - Seek and encourage redevelopment for areas identified in the Comprehensive Plan.

GOAL 3 Infrastructure to Support Redevelopment - Build infrastructure that supports citywide redevelopment that creates a vibrant, distinct, sustainable, great place.

OBJECTIVE 1 - Meet current and future needs for sanitary sewer, water, and storm water facilities.

OBJECTIVE 2 - Plan and implement street improvements- Plan and implement street improvements to promote pedestrian safety and commercial vitality as well as addressing multi-modal transportation and parking.

GOAL 4 Land Use Tools - Create new land use tools that encourage creative, compatible and sustainable development

OBJECTIVE 1 - Develop user-friendly, Web-based, uniform development code that contains innovative zoning tools and community design standards with integration of all development regulations including green building, affordable housing, historic preservation and transportation.



NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE

GOAL 1 Traffic Calming - Preserve the quiet, residential character of neighborhood streets, through traffic calming measures, sidewalks, and effective parking regulations.

OBJECTIVE 1 - Install new traffic calming features and pedestrian connections in City neighborhoods.

OBJECTIVE 2 - Protect neighborhoods from parking impacts, through the development, implementation, and consistent enforcement of neighborhood parking regulations.

GOAL 2 Neighborhood Based Programs - Improve safety and security in neighborhoods through closer collaboration with police and citizens.

OBJECTIVE 1 - Actively promote citizen volunteer involvement and partnership with Police to reduce property crime in neighborhoods.

GOAL 3 Zoning - Preserve neighborhood character and quality of life through effective zoning regulations.

OBJECTIVE 1 - Create better tools for neighborhood preservation through a comprehensive update of City Zoning Codes.



DIVERSITY

GOAL 1 Affordable Housing - Preserve and develop affordable housing as a means to ensure economic diversity in the City.

OBJECTIVE 1 - Implement the city wide affordable housing strategy that includes investment, acquisition, and building/development.

OBJECTIVE 2 - Expand housing choices by increasing the number of new affordable housing units and housing and services for low, moderate, and middle income households through inclusionary zoning.

GOAL 2 Attract and Celebrate Diverse Populations - Provide public activities, programs, and events that promote and celebrate the City's diversity.

OBJECTIVE 1 - Use City efforts to improve the business climate, reach out to all businesses and ensure that the full community is engaged in the civic and business life of the City

OBJECTIVE 2 - Promote the community's diversity through citywide events, and festivals so that the City is perceived as welcoming to all people.

GOAL 3 Employment and Civic Volunteerism - Recruit people from diverse backgrounds for employment and civic volunteerism.

OBJECTIVE 1 - Ensure that membership on City boards and commissions reflects the full diversity of the community.

OBJECTIVE 2 - Ensure that City workforce and staff leadership reflects the diversity of the community, and that the culture of the City Organization is one that embraces and celebrates that strength that comes through diversity.



ENVIRONMENTAL HARMONY

GOAL 1 Expand Parklands - Implement plans and sustain resources to expand and improve City parklands, walking trails, and athletic fields.

OBJECTIVE 1 - Create the policies for advance planning and acquisition to provide the linkage.

GOAL 2 Regulatory Tools - Protect and improve natural resources through the enforcement of existing regulations, and through the development of appropriate new regulatory tools.

OBJECTIVE 1 - Adopt and implement best practices in watershed management to improve community water quality.

OBJECTIVE 2 - Incorporate "Green" Building Practices into City building permit process.

GOAL 3 Community Education - Create and implement community education programs on best management practices that achieve environmental harmony.

OBJECTIVE 1 - Develop, implement, and sustain community education and environmental programs to include addressing energy management/reduction/production.

GOAL 4 Green City Facilities - Implement best management practices at City facilities to promote a healthy environment and be more efficient in our use of natural resources.

OBJECTIVE 1 - Use the opportunities of new purchases and construction of new facilities or major renovations of existing facilities to implement green technology.



INNOVATION

GOAL 1 IT Infrastructure - Build and upgrade Citywide IT infrastructure to support innovation.

OBJECTIVE 1 - Create an environment where IT enhances the delivery of governmental services.

OBJECTIVE 2 - Undertake cooperative ventures with the private sector that are scalable for the future, to facilitate expansion and growth and new technologies such as WiFi.



A SPECIAL PLACE

GOAL 1 Visual Aesthetic Identity - Create a clear and distinct visual aesthetic identity that differentiates the City.

OBJECTIVE 1 - Create and maintain an attractive and distinct entrance ways and commercial corridors to the City.

GOAL 2 Artistic Venues - Increase the number of venues for artistic performance display.

OBJECTIVE 1 - Encourage the development of public/private venues for artisans and artists to work and to showcase their work.

GOAL 3 Festivals and Events - Develop, promote, and maintain festivals and special events that celebrate the City's unique character

OBJECTIVE 1 - Plan, organize and support a variety of quality community wide special events each year.

Falls Church is an independent city lying just a few miles from the national capital. This proximity has been a major influence on its development, especially over the last century. Falls Church is small in area (2.2 square miles) and population (12,332 in 2010 Census), but its heritage predates America's colonial era.

As far back as 12,000 years ago, before the English came to Jamestown in 1607, the gently rolling landscape of Falls Church was traversed by Native American hunter-gatherers. As they moved inland from the north and east, they traveled two trails that intersected within the present boundaries of Falls Church. After a series of wars ending in 1677, they left the region and settlers gradually moved in.

The City's history dates back to the late 1600's when it was an early colonial settlement shared with native Indians. The community grew up around The Falls Church, which was founded in 1734 and whose congregation has included president George Washington and Virginia statesman George Mason. Falls Church slowly grew around the intersection of two Indian trails leading to the lower Potomac River falls, not far from the current intersection of Broad Street (Route 7) and Washington Street (Route 29). By 1875 it gained township status. Falls Church became an independent City in 1948 led by parents determined to improve the quality of local schools. Named an All-America City in 1962, Falls Church has also earned the Tree City USA award for 31 consecutive years from the National Arbor Day Foundation.

Falls Church ranks first in the nation in the percentage of persons with at least a college degree. In 2006, 75 percent of the persons 25 years of age or older living in Falls Church had at least a bachelor's degree. Approximately 40.7 percent of the population had a Master's, professional, or doctorate degree, which is almost four times the national average. Only one location in the United States had a higher percentage of persons with advanced degrees in 2000: Los Alamos, New Mexico, which is a major scientific research community.

- Council-Manager form of government
- Chartered as independent city in 1948
- Seven member City Council, elected at-large for four year term
- Mayor and Vice Mayor selected by Council for two year terms



City Council. From left to right standing are: Council Members Ira Kaylin, Phil Duncan, David Tarter, Ronald Peppe. Seated from left to right are: Johannah Barry, Mayor Nader Baroukh and Vice Mayor David Snyder.



CITY OF FALLS CHURCH, VIRGINIA DIRECTORY OF OFFICIALS

F. Wyatt Shields, City Manager

Cindy Mester, Assistant City Manager

Richard A. La Condre, MPA, Chief Financial Officer

John Foster, City Attorney

Kathleen C. Buschow, City Clerk

Catherine Kaye, City Treasurer

Thomas D. Clinton, Commissioner of Revenue

S. Stephen Bittle, Sheriff

Dr. Toni Jones, Superintendent of Schools

CITY STATISTICS

- 2.2 square miles
- Population of 12,567 (Estimate for 2011 by Weldon Cooper Center for Public Service)
- \$3,455,946,300 assessed value of real estate at January 1, 2012
- Percentage of population with a bachelor's degree or higher is 71% (US Census Bureau 2010 census data)

	FALLS CHURCH	WASHINGTON METRO	U.S.
January 1, 2012 Median Home value	\$656,400 ¹	\$352,000 ²	\$173,600 ³
Unemployment Rate, December 2012 ⁴	5.8%	5.2%	7.8%

RACE AND ETHNICITY, 2010

White	80.0%
African American	4.3%
Asian	9.4%
Other, unknown	2.4%
Two or more races	4.0%
Total	100.0%

Hispanic (any race) 9.0%

Source: U.S. Census
Bureau

AGE DISTRIBUTION, 2010

0-19	26.4%
20-44	32.9%
45-64	30.2%
65+	10.5%
Total	100.0%

Median Age 39

Source: US Census
Bureau

OCCUPATIONS OF CITY RESIDENTS

Construction	469	5.0%
Manufacturing	78	0.8%
Transportation	111	1.2%
Information	406	4.3%
Wholesale Trade	129	1.4%
Retail Trade	1,092	11.5%
Finance, insurance, and real estate	193	2.0%
Real estate and rental and leasing	95	1.0%
Professional, scientific, management	1,009	10.7%
Management of companies and enterprises	65	0.7%
Administrative and Support and Waste	1,068	11.3%
Management and Remediation		
Health care and social assistance	1,839	19.4%
Educational, health, and social services	820	8.7%
Arts, entertainment and recreation	161	1.7%
Accommodation and food services	887	9.4%
Other services (except Public Administration)	875	9.2%
Public administration	169	1.8%
Total Employed	9,466	100.0%

Source: Virginia Employment Commission, as of
December 2010

REGIONAL COOPERATION

Memberships:

Northern Virginia Regional Commission
Northern Virginia Transportation Commission (NVTC)
Northern Virginia Transportation Authority (NVTa)

Northern Virginia Regional Park Authority
Fairfax-Falls Church Community Services Board
Metropolitan Washington Council of Governments
Northern Virginia Criminal Justice Academy

Services provided by contract to other localities:

Aurora House (residential group home for girls)

Services provided by contract by other localities:

Arlington County

- Jails
- Commonwealth Attorney
- Circuit Court
- Fire
- E-911
- Boys residential home (Argus House)

Fairfax County

- Health
- Area Agency for Aging
- Social Services

¹ Source: City of Falls Church Real Estate Assessor's Office; assessments for single family homes and townhouses.

² Source: National Association of Realtors; sales price for single family homes and townhouses, excluding foreclosures.

³ Source: *Ibid.*

⁴ Source: Bureau of Labor Statistics, Local Area Unemployment Statistics

ECONOMIC DEVELOPMENT TRENDS

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the city operates.

The Local Marketplace

The City of Falls Church has benefited from an unprecedented wave of new development and investment that has occurred along several of its primary commercial corridors starting with the Broadway project in 2002. The Byron, the Spectrum, the Read Building, and Pearson Square followed the Broadway and its formula of higher-density, mixed-use development. Collectively these projects produce about \$5.2 million in gross revenue and \$2.5 million in net revenue for the city annually.

Commercial space in the Broadway, Byron, Read Building, and Pearson Square is mostly filled or in transition to new uses, while each of these buildings is at full residential occupancy. The Tax Analysts Building, a physically detached component of the Pearson Square project on South Maple Avenue, contains 85,000 square feet of office and retail space that is 95 percent occupied. It was the largest office building constructed in the city in 20 years when it was delivered to market in 2008. Tax Analysts, a nonprofit publisher of printed and online material, owns its headquarters building and is one of the city's largest employers.

Commercial space in the mostly residential Pearson Square building next door is anchored by Falls Church ArtSpace and Edwards Jones. Body Dynamics, a physical therapy and wellness center, opened in 2012 and occupies much of the remaining space on the ground level of the building.

All of the 189 Spectrum residential condos are sold or are under contract in a building delivered to the market in early 2008 when regional condo supply greatly exceeded condo demand. The Spectrum also contains 32,000 square feet of condo office, which will soon be over 90 percent occupied. Mad Fox Brewery, Moby Dick's House of Kabobs, Sweet Frog Frozen Yogurt, Beadazzled, and For Eyes anchor the building's retail space. Mad Fox, a craft microbrewery and restaurant, is a popular regional draw and is the highest tax revenue producing restaurant in the city.

Office Trends

Through the third quarter of 2012 the direct vacancy rate for office space in the greater Falls Church submarket was 11.9 percent, according to Jones Lang LaSalle (JLL). Inside the city, most of the available office space is located in older buildings, some of which are targeted for renovation or are impacted by site redevelopment plans. The Falls Church submarket vacancy rate compares favorably with a direct vacancy rate in the overall Northern Virginia (NOVA) office market of 15.3 percent through third quarter 2012, again according to research by JLL.

The commercial real estate company Colliers International (CI) reported in November 2012 that the NOVA office market is in a "holding pattern" and that in Q3 of 2012 "businesses were hesitant to act until the future appeared more certain" following the national election and with concerns over sequestration and resolution of the 'fiscal cliff' crisis. "Total vacancy in NOVA edged up...during the third quarter, continuing the trend of remaining in the low-to-mid teens over the past three years. The average rental rate continued its upward swing during the third quarter of 2012, finishing at its highest rate since year-end 2008," according to CI.

However, the CI report said that "rates are expected to level off over the next 12 months as more vacant space floods the [regional] market." "NOVA has been the most heavily impacted by federal spending in the region," especially "big businesses and those contractors connected to government." Looking forward, CI observes that the office industry in NOVA "continues to gear up for the next chapter in commercial real estate: walkable urbanism; evident through the large amount of development and variety in the area." Mixed-use projects already completed and pipeline projects in Falls Church, as detailed below, are just such examples of infill, walkable urbanism on a scale appropriate to the city.

There is currently the lowest supply of new office buildings in NOVA in the last 18 years and 56 percent of the

inventory of office buildings is more than 20 years old. There is a premium for quality new buildings inside the Beltway if financing can be obtained in a tight credit market. These were observations made by speakers at a regional economic forecast event held by the National Association of Industrial and Office Properties in early 2012.

Retail Trends

Occupancy rates in older properties are still holding strong for retail tenants. As space occasionally becomes available it has quickly backfilled, and at higher rent. Restaurants have been the source of greatest demand for space in the city. In the past several years Pizzeria Orso, Chipotle, Paisano's, Sfizi, Famous Dave's Barbeque, Honeybaked Ham, Mad Fox, Space Bar, Moby Dick's, and others have opened in Falls Church, bolstering the city's meals tax revenue. Caribbean Plate, Dunkin' Donuts, and Curry Mantra 2 have all opened in early 2013, and Burger 7 has signed a lease to open later in the year.

In 2012, California-based 24-Hour Fitness opened its second facility in the Washington, DC region in Falls Church. The company invested more than \$7 million to convert a former Syms store into a state-of-the-art fitness and training center. Falls Church Cross Fit backfilled light industrial space vacated in 2012 on the city's north side. Ortho Urgent Care will open in the Broadway in space previously occupied by Hollywood Video. Dominion Jewelers has transitioned from tenant to owner/operator in a building recently completed on W. Broad Street that functions as its headquarters and store, with additional office space available for lease.

Pipeline Projects

After several years delay due to the Great Recession and a tight credit market, the Hekemian Company is mid-way into construction of a \$51 million mixed-use project in the 400 block of North Washington Street. The "Northgate" is located within close proximity to the East Falls Church Metro Station and the developer will use that advantage to market its 105 residential units, office and retail space. Delivery of the Northgate is expected in late 2013.

Ground has been broken for a 110-room Hilton Garden Inn hotel in the 700 block of W. Broad Street. The \$18 million hotel was approved by the city in 2011 and the franchisee recently obtained financing and favorable bids to move to the construction phase of the project. Completion is expected in early 2014.

The Flower Building, located in the 800 block of W. Broad Street, was completed in 2009 and is fully occupied with a mix of all-commercial uses. The 44,000-square-foot office and retail building houses the Falls Church U.S. Postal Service customer center, two restaurants, and multiple office tenants. This building is an example of infill development made possible by the spinoff effect of larger mixed-use projects that have created density, as well as greater consumer and office tenant interest throughout the city's commercial districts.

Flower Building developer, the Young Group, has purchased a property at 300 S. Washington Street to rehabilitate and re-market from marginal commercial uses to restaurant and fitness facilities. Across the street, at 101 E. Annandale Road, a commercial building has been rebuilt following a fire in 2010. The building has quickly filled with restaurant, retail and office tenants.

Land use entitlement applications for three major projects were filed with the city in 2012. Rushmark Development Company seeks to build a \$106 million mixed-use development at 301 W. Broad Street featuring a Harris Teeter grocery store, 282 small apartments, and underground parking. Lincoln Property Company has applied to build a \$77 million mixed-use project in the 500 block of S. Washington Street featuring 224 small apartments, 40,000 square feet of commercial space, including a Fresh Market grocery store, and underground parking. The owner of a small and aging office building at 400 N. Washington Street seeks to replace the existing structure with a \$28 million, 110,000-square-foot office and retail building with underground parking as soon as market conditions support the investment. The site is within easy walking distance of the East Falls Church Metro Station, where the new Silver Line will connect with the Orange Line in 2013.

Over the past year there has been intense activity by investors seeking land assembly and higher density development opportunities in Falls Church. The multi-family residential market is very strong for new rental housing, especially smaller units targeted to young professionals as the Washington, DC area continues to add

jobs and attract a workforce from outside the region. The city aggressively seeks to capture investment and new development with the right mix of uses to strengthen, broaden and balance its tax base.

The Eden Center

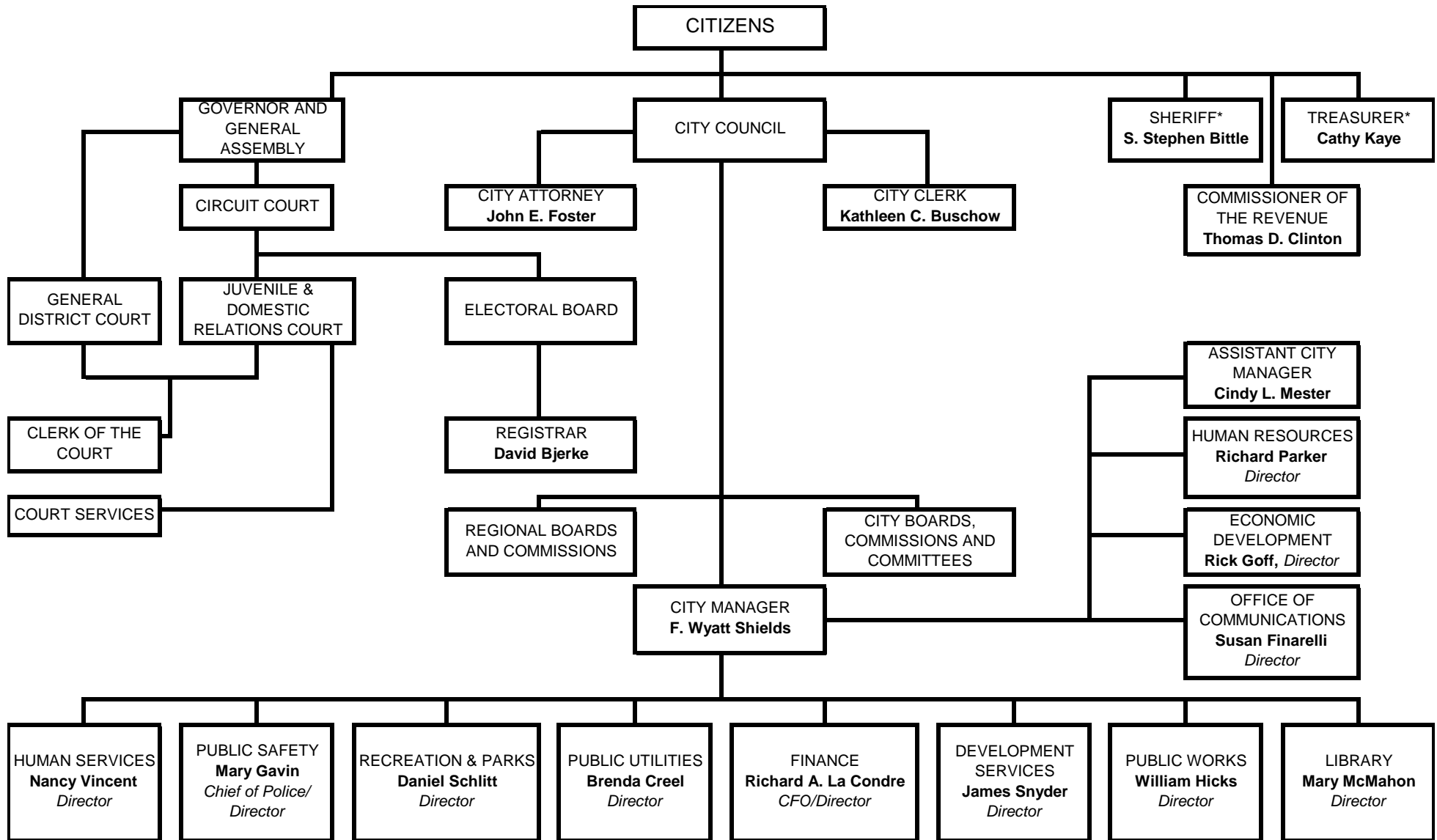
One of the most remarkable commercial success stories in Falls Church and, indeed, the metropolitan Washington region, is the Eden Center on Wilson Boulevard. The center is Northern Virginia's premier Asian shopping destination, with over 130 businesses. Its Vietnamese restaurants, eclectic array of shops, vendors and cultural events regularly draw chartered buses from surrounding states and Canada. Owners of the center have signed a lease with Good Fortune, a New York-based Asian grocery store, to occupy 43,000 square feet in space previously leased to defunct National Wholesale Liquidator's and vacant for several years.

The BJ's Success Story

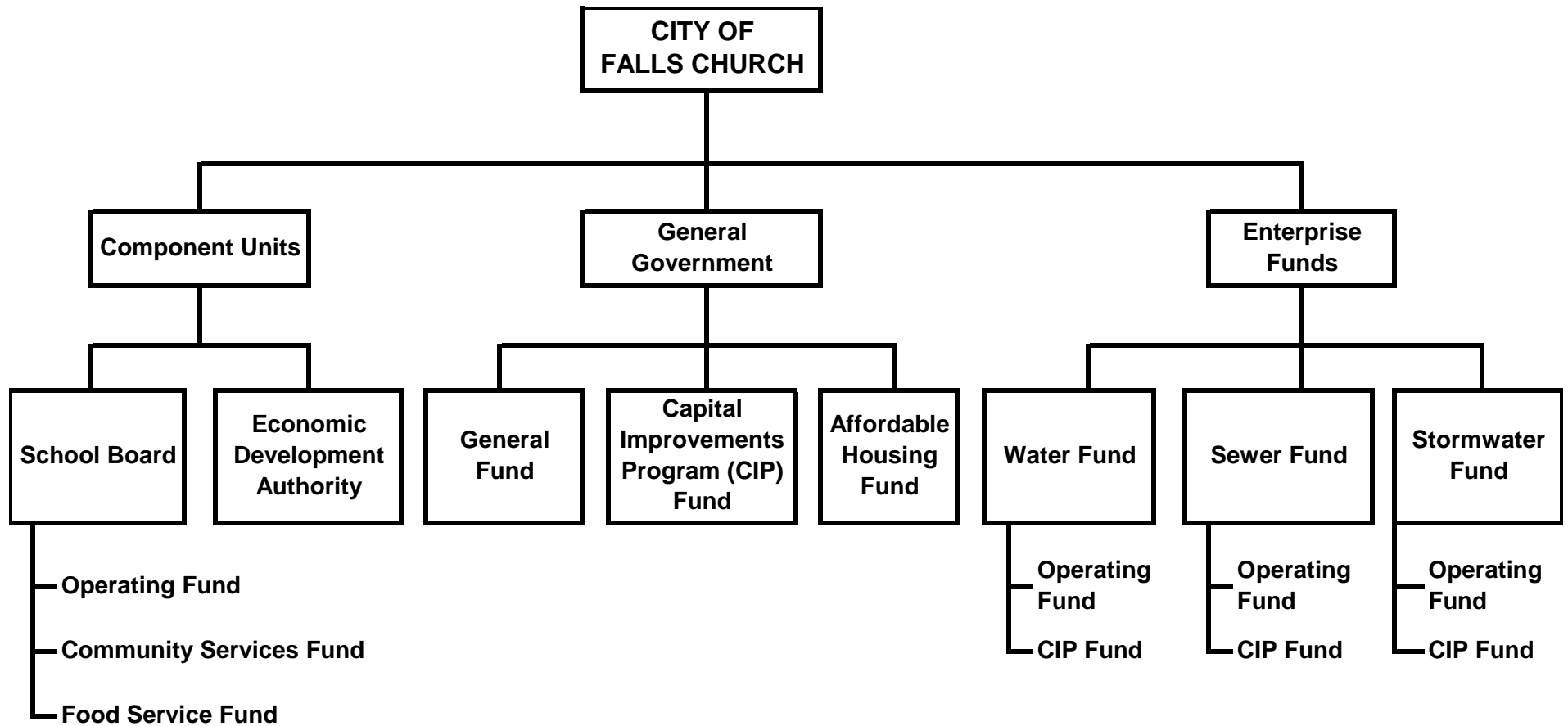
BJ's Wholesale Club opened its 87,000-square-foot Falls Church store in fall 2010. It signed a 20-year lease on an eight-acre former light industrial site on Wilson Boulevard. This deal was facilitated by an agreement between the city and developer JBG Rosenfeld Retail to share a portion of taxes generated by the new store over a 12-year period. It was the second largest retail lease signed in the entire Washington, DC region in 2009. Sales performance through June 2012 has been closely followed and the Falls Church BJ's has proven consistent with initial revenue projections, now ranking second only to Giant grocery in sales tax revenue for the city.

COMPREHENSIVE PLAN OUTLOOK FOR THE FUTURE

- The City will continue as a vibrant and thriving enclave in the Northern Virginia region, inhabited by citizens and businesses who believe strongly in community involvement and spirit.
- The City will continue to be recognized as a predominantly residential community, and will retain its small-town character. This character will be conveyed visually through the cohesive architecture and urban design of the commercial districts, which complement the residential neighborhoods, and through the successful preservation and rehabilitation of the City's historic resources.
- The City's commercial base will be strong and serve the greater Falls Church community, while also attracting people from throughout the region to eat, shop, and conduct business in the commercial centers. The City will have attractive office spaces located within walking distance of restaurants and shops. Public-private collaboration will result in the creation of public gathering places for cultural events and meetings.
- Education will continue to be a high priority for the City. Schools will be maintained as high quality public facilities, commensurate with the continuing academic excellence for which the City is known, and will serve as an important focus for community, social, and cultural activities.
- Local educational services will expand to include institutes of higher education and an extension of educational opportunities to all City residents. The addition of these higher education resources will draw new ideas from the region and perhaps from beyond, from which the entire community will benefit. The City's library will remain an integral component of the excellent educational system.
- Planning for open space will also provide for active recreation and sports.
- The City will remain attractive to a wide range of family types, cultures, and generations, including single-person households, those with children, and citizens in retirement, embracing the City's varied ethnic and cultural diversity. A diverse housing stock will provide opportunities to all income levels and family types.



*Constitutional Officers will participate in coordination with Public Safety and Administrative Teams



GENERAL GOVERNMENT

General Fund: The General Fund accounts for all expenditures and revenues not otherwise included in the other funds. It has an annual appropriation. Any unexpended and unencumbered amounts at the end of the fiscal year revert back to fund balance.

CIP Fund: The CIP Fund accounts for major capital outlays of the General Government and School Board, generally those exceeding \$100,000. The City's Planning Commission reviews and approves a five-year program with an eye towards the City's financial policies. The City Council makes the final approval through an Ordinance. The five-year program is reviewed each year and adopted every year to ensure that needs are addressed in relation to the City's fiscal environment.

Affordable Dwelling Unit Fund: The ADU Fund was established to accumulate dedicated funding for affordable dwelling programs. Initial funding was transferred from the General Fund. Other sources of funds have included developer contributions. In FY2013, no plan has been established to expend the funds, and no revenues are expected to be earned by the fund. Therefore, no budget was adopted for this fund.

ENTERPRISE FUNDS

Water Fund: The Water Fund accounts for the revenues and expenditures that pertain to the operation of the City's water system. A separate fund was established for the operating revenues and expenditures and for its capital improvement program. Similar to the General Government's CIP, the Planning Commission also reviews and approves a five-year program. The City Council makes the final approval through an Ordinance. A five-year program is reviewed and re-adopted each year.

Sewer Fund: The Sewer Fund accounts for the revenues and expenditures that relate to the operations of the City's sewer system. There is a separate fund for the Sewer's operating activities and another for capital improvement program. The City's Planning Commission also reviews and recommends to the City Council a five-year program. The City Council adopts the program through an Ordinance. The five-year program is also reviewed and re-adopted each year.

Stormwater Fund: The Stormwater Fund is a new enterprise fund that is being proposed in FY2014. This fund will account for the revenues and expenditures, including capital improvements program, for the conveyance of the City's stormwater.

COMPONENT UNITS

School Board: The School Board is a publicly-elected body consisting of seven members. A chairperson and a vice-chairperson is elected by the members. The School Board has jurisdiction over the administration of the City's pre-Kindergarten to High School education system, and other ancillary activities. The School Board sets its own budget and requests an annual transfer from the General Government. Excess of revenues over expenditures remain in each of the School Board funds and is available for their use in future years. The School Board does not have the ability to raise taxes or issue debt. All debts are issued by the General Government and associated debt service payments are budgeted by the General Government. The School Board established three funds to account for its operations:

- Operating Fund – The Operating Fund accounts for all expenditures and revenues that pertain to the operation of the City's pre-Kindergarten to High School education system and not otherwise included in the other funds.
- Community Service Fund – The Community Service Fund accounts for all expenditures and revenues that relate to the operation of a daycare, the television access programs and other community education programs.
- Food Service Fund – The Food Service Fund accounts for all expenditures and revenues relating to the provision of food and beverages to the students of the City.

I. PLANNING AND BUDGETING – ALL FUNDS

A. Governing Legislation

The adoption and implementation of the City of Falls Church's (the City) budget shall be governed by Chapter 6 of the City Charter and Chapter 10 of the City Code. This policy shall not override any of the provisions of the Charter and the Code, but rather, shall provide supplemental guidance on the adoption and implementation of the City's budget.

B. General

The City of Falls Church will adopt an annual General Fund budget in which the budgeted revenues and expenditures are equal (a balanced budget). The budget shall clearly delineate the sources of funding for each year's expenditures. Any one-time revenues or use of unassigned fund balance will be used for one-time, non-recurring expenditures such as capital assets, pay-as-you-go projects in the Capital Improvement Program (CIP), equipment, special studies, debt reduction, and reserve contributions. Restricted or committed fund balances may only be used for the purpose so stated.

Each year's budget may include a General Fund Contingent appropriation ("Council Reserve") to cover unforeseen expenditures, new projects initiated after a fiscal year has begun, or revenue shortfalls. Unexpended amounts in this reserve at fiscal year end may be re-appropriated by Council for use in the subsequent fiscal year. Funding may be allocated from this contingent appropriation only by resolution of City Council.

The City will adopt annual Utility Funds budgets in which the budgeted revenues from fees and charges, investment earnings, and operating grants will be sufficient to meet operating expenses and debt service. Availability fees, including availability fees accumulated from previous years, will only be used to offset the costs of providing additional capacity, including debt service on any debt incurred to finance such projects. Any one-time revenues or use of unrestricted net assets will be used for one-time, non-recurring expenses such as capital, equipment, special studies, debt reduction, and reserve contributions. Restricted net assets may only be used for the purpose so stated.

The City will prepare and update annually a five-year Capital Improvement Program (CIP) to be approved by City Council. At the same time, the City Council will adopt an annual budget for the Capital Fund including a resolution to bond projects requiring that source of funding. The CIP will be developed with an analysis of the City's infrastructure and other capital needs, and the financial impact of the debt service required to meet the recommended financing plan.

Except for trust funds, the City will adopt an annual budget for all other funds including the School Board and the Economic Development Authority.

The City Council will adopt all budgets by Ordinance.

C. Budget Amendments

Amendments to any budget that require an increase in revenue and/or expenditure requires an Ordinance to be passed by the City Council.

Transfers of funding between departments, as defined by the City's organization structure, requires a resolution by the City Council. Any transfers to and from the Water Fund and Sewer Fund constitute an increase in each of the Funds' budgets and therefore requires an Ordinance to be passed by the City Council.

Transfers within departments require an approval by the City Manager and by the Chief Financial Officer.

Transfers between capital projects require a resolution by the City Council.

D. Funding of Post-Retirement Benefits

The City will use an actuarially-accepted method of funding its pension system to maintain a fully-funded position. The City's contribution to employee retirement costs will be adjusted annually as necessary to fully fund its actuarially-required contributions (defined as City and employee contributions, if any, that when expressed as a percent of annual covered payroll are sufficient to accumulate assets to pay benefits when due).

The City will use an actuarially-accepted method of funding its other post-employment benefits to maintain a fully-funded position. The extent of the City's other post-employment benefits and its contribution to them will be adjusted annually as necessary to fully fund its actuarially-required contribution (defined as City and employee contributions, if any, that when expressed as a percent of annual covered payroll are sufficient to accumulate assets to pay benefits when due).

E. Transfers from Utility Funds

Transfers from the Utility Funds to the General Fund may be done for reimbursement of administrative expenses based on a reasonable method of calculation and payment in lieu of taxes.

II. DEBT MANAGEMENT

A. General Fund

The City of Falls Church will adhere to the following policies whenever the City issues new bonds:

1. Total General Fund supported debt shall not exceed 5% of the net assessed valuation of taxable real estate property in the City.
2. Annual debt service expenditures for all General Fund supported debt shall not exceed twelve percent (12%) of total General Fund operating expenditures, including school board transfer and debt service.
3. The term of any debt issue shall not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended.
4. The city shall comply with all U.S. Internal Revenue Service arbitrage rebate requirements for bonded indebtedness.
5. The City shall comply with all requirements of Title 15.2 Code of Virginia and all other legal requirements regarding the issuance of bonds and certificates of the City or its debt issuing authorities.
6. At least 25% of total debt will be repaid within five years and at least 50% of total debt within ten years.
7. Debt shall be defined as bonds, capital leases, lines of credit, and certificates of participation or any other instruments that constitute evidence of indebtedness on the part of the City.

The Council shall put to referendum certain general obligation bonds:

1. Where the aggregate amount of the bond, for the bonded project or portion thereof exceeds ten percent of the General Fund budget for the fiscal year in which the bond(s) are anticipated to be issued.

2. The referendum requirement does not apply to bonds issued for water, sewer, fire, police and medical services projects.

In addition, Article VII of the Constitution of the Commonwealth of Virginia limits the City's debt capacity to not more than 10% of the assessed valuation of taxable real estate property in the City.

B. Utility Funds

The City may issue bonds to fund enterprise activities, such as water and sewer utilities, or for capital projects which will generate a revenue stream.

1. The bonds will be issued only if revenue sources are identified that are sufficient to fund the debt service requirements.
2. Costs of issuance, debt service reserve funds, and capitalized interest may be included in the capital project costs and thus are fully eligible for reimbursement from bond proceeds.
3. Bonds may be issued either as revenue bonds or as City general obligation bonds. In either case, the debt service coverage for the fund supporting the debt shall be at least 105%. Debt service coverage is calculated by dividing operating income by the bonds' total debt service.

III. FUND BALANCE AND NET ASSETS

A. General Fund

Unassigned fund balance is a key element of financial resilience for any municipal organization. An unassigned fund balance at 17% of expenditures represents two months of operating expenditures, and is held in reserve to mitigate the impacts of unanticipated revenue shortfalls, and provide a buffer for unexpected expenditure requirements. Capital reserves, similarly, allow the City to execute a multi year capital plan with a buffer against unforeseen economic events.

The City of Falls Church adopts the following policy for its Unassigned General Fund balance:

1. The goal for unassigned fund balance shall be 17%, but not less than 12%, of the actual General Fund expenditures for the then current Fiscal Year, and these funds shall be appropriated by the City Council.
2. In the event that the unassigned fund balance is used to provide for temporary funding of unforeseen emergency needs or used to mitigate effect of unbudgeted revenue shortfall, the City shall restore the unassigned fund balance to 12% of the actual General Fund expenditures for the then current fiscal year within two fiscal years following the fiscal year within which the event occurred. To the extent additional funds are necessary to restore the unassigned General Fund Balance to 17% of the actual General Fund expenditures for the then current year, such funds shall be accumulated in no more than three approximately equal contributions each fiscal year; this shall provide for full recovery of the targeted fund balance amount within five years following the fiscal year in which the event occurred.
3. The following are other types of fund balance as defined by Governmental Accounting Standards Board (GASB) and should not be included in the calculation of the ratio discussed in item 1:
 - a. Restricted fund balance represents that portion of fund balance that is restricted for a specific future use either by enabling legislation, donor, or bond covenant. This fund balance is required to be used or maintained for the specific purpose so stated.

- b. Committed fund balance represents fund balance that is committed by the City Council to be used for a specific purpose, such as funds committed to be used for capital projects in the Capital Improvement Project fund. Such commitment may only be reversed by similar action that committed it. Such commitment should be supported by definitive plans approved by the City Council.
 - c. Non-spendable fund balance represents that portion of the fund balance that is not available for future spending such as prepaid items, inventory and long-term notes receivables.
 - d. Assigned fund balance represents amounts that are constrained to be used for specific purpose (such as towards contracts) by either the City Council or the City Manager.
4. The City shall establish a capital reserve fund balance and it shall be a committed fund balance. The balance shall be maintained at 5% of General Fund fixed assets OR \$3,750,000, whichever is lower. The City shall meet this goal by FY2021 through annual appropriations of \$500,000, and thereafter appropriate no less than \$375,000 per annum to capital reserve. The capital reserve fund balance shall be used to pay for projects in the Capital Improvement Program or for debt service for those projects. The use of this fund balance shall be included in the annual appropriation or in budget amendments passed by the City Council through an Ordinance. The City may go below the minimum balance to fund unforeseen emergency capital needs. In the event that this happens, the City shall restore the required balance within three (3) fiscal years.

B. Utility Funds

It is the City's goal, pursuant to the utility rate studies provided by consultants, to have positive unrestricted net assets for its Utility Funds in its Statement of Net Assets that reflect economic well-being.

1. Unrestricted net assets shall be greater than 25% of total operating expenses at fiscal year-end, to provide reserves for operations and future capital improvements.
2. There will be a restriction of net assets for investment in capital assets, net of related debt, as required by Generally Accepted Accounting Principles.
3. Designation of unrestricted net assets represents plans by management. Such designations should be supported by definitive plans approved either by the City Council or the City Manager.
4. The City shall establish a capital reserve for the Water Fund. The balance shall be maintained at 2% of fixed assets OR \$2,500,000, whichever is lower. The City shall meet this goal by FY2016 through annual appropriations, and thereafter appropriations of \$500,000 per annum. The capital reserve shall be used to pay for projects in the Capital Improvement Program or for debt service for those projects. The use of these funds shall be included in the annual appropriation or in budget amendments passed by the City Council through an Ordinance. The City may go below the minimum balance to fund unforeseen emergency capital needs. In the event that this happens, the City shall restore the required balance within three (3) fiscal years.
5. The City shall establish a capital reserve for the Sewer Fund. The balance shall be maintained at 2% of fixed assets OR \$400,000, whichever is lower. The City shall meet this goal by FY2022.
6. Through appropriation of \$50,000 per annum commencing in FY2014. The capital reserve shall be used to pay for projects in the Capital Improvement Program or for debt service for those projects. The use of these funds shall be included in the annual appropriation or in budget amendments passed by the City Council through an Ordinance. The City may go

below the minimum balance to fund unforeseen emergency capital needs. In the event that this happens, the City shall restore the required balance within three (3) fiscal years.

All definitions of “fund balance”, “net assets”, “revenues”, “operating revenues”, “expenditures” and “expenses” shall comply with Government Accounting Standards Board definitions.

IV. FISCAL POLICIES – ADOPTION

1. The City’s fiscal policies shall be adopted by resolution of the City Council.
2. The fiscal policies shall remain in effect until such time as they are amended or repealed by subsequent Council action, and will be presented to City Council every two years within ninety days of a new Council taking office.

*Adopted by Council December 12, 2011
Resolution 2011-45*

**FY2014 PROPOSED BUDGET
BUDGET
INTRODUCTION**



The City follows an established set of procedures for setting the annual budget for all City funds: This process is designed for maximum public input while adhering to the constraints and timelines established by Section 6 of the City's charter and relevant State code.

- a. The Superintendent of Schools submits a proposed budget to the School Board in January. The School Board is required to act upon this proposal prior to the City Manager presenting his overall budget proposal. Section 6.02 of the City charter states that the School Board's request must be included in the City Manager's proposed budget as adopted by the Board.
- b. The Capital Improvements Program (CIP) is presented to the Planning Commission in Mid-January. The Planning Commission provides a recommended CIP to the City Manager who may make adjustments prior to inclusion of the CIP in the proposed budget. However, the CIP projects requested by the School Board must be included in the proposed budget as they were presented to the Planning Commission.
- c. On a date in March fixed by the City Council, the City Manager submits proposed budgets for the general operation of the City government, the Water Fund, the Sewer Fund and the Five-Year Capital Improvements Program (CIP) for the fiscal year commencing July 1. The budget presentation must include proposals for tax rates necessary to support the expenditure proposals. Tax rates are adopted as a separate ordinance.
- d. At least two public hearings are required to obtain citizen comments. It has been the City's practice to hold three public hearings, including one at the meeting where the budget is to be adopted. Beginning with the FY2010 budget process, the City has also scheduled "town hall" meetings for greater citizen input.
- e. The operating budget and the CIP are enacted through passage of an appropriation ordinance. If, for any reason, the City Council fails to adopt the appropriation ordinance prior to July 1, the previous fiscal year's budget remains in effect on a month-to-month basis until the City Council adopts the budgets. The CIP must be adopted no later than 28 days after the adoption of the annual budget. As a general rule the operating budget and the CIP are adopted at the same time with the same ordinance.
- f. The appropriation action of the City Council on the school budget relates to the total budget only; the School Board has the authority to expend at its discretion the sum appropriated for its use. The School Board has the power to authorize transfers from one item of appropriation to another during the course of the fiscal year provided the total appropriation is not exceeded.

Budgets for all funds are adopted by the City Council on an annual basis consistent with the modified-cash basis of Generally Accepted Accounting Principles as used in the City's Comprehensive Annual Financial Report (CAFR). Debt issuance and payments are appropriated using the cash basis, as is the purchase of capital items. Only payments of capital leases are "subject to appropriation".

Formal budgetary integration is employed as a management control device during the year. The appropriation ordinance places legal restrictions on expenditures at the fund level. During the course of the fiscal year, the City Council may revise the appropriation for each fund through an ordinance. The City Council may also revise the appropriations for each department through a resolution as long as the overall level of expenditure remains unchanged. The City Manager is authorized to transfer unencumbered balances within departments.

The following calendar is being followed for the FY2014 budget process:

2012

Wednesday, Nov 28	FY2014 Budget Planning Session City Council & School Board Joint Work Session
Monday, Dec 10	City Council Adopts FY2014 Budget Guidance Resolution for City Manager

2013

Tuesday, Jan 22	School Superintendent Presents FY2014 Budget Recommendations to School Board FY2014-FY2018 CIP presented to the Planning Commission
Friday, Jan 25	Departmental Budget Requests due to City Manager
Tuesday, Jan 29	School Board Budget Work Session #1
Monday, Feb 4	Planning Commission CIP Work Session #1
Saturday, Feb 9	Public Hearing #1, School Board Budget Work Session #2
Monday, Feb 11	Planning Commission CIP Work Session #2
Tuesday, Feb 12	School Board Regular Meeting & Public Hearing #2
Tuesday, Feb 19	Planning Commission Adopts CIP Recommendations
Tuesday, Feb 26	Public Hearing #3, School Board Work Session #3
Tuesday, March 5	School Board Adopts FY2014 Budget Request
Monday, March 11	City Manager Presents FY2014 Operating Budget and FY2014-2018 CIP Recommendation
Thursday, March 14	Financial Overview - Joint with City Council and School Board
Saturday, March 16	Town Hall Meeting #1
Monday, March 18	Work Session - Budget
Thursday, March 21	Work Session - Budget
Wednesday, March 27	Public Hearing #1, 1st Reading of Budget Ordinance & Tax Rate Ordinance
Thursday, March 28	Work Session - Budget
Monday, April 1	Work Session - Budget
Thursday, April 4	Work Session - Budget
Monday, April 8	Public Hearing #2, 2nd Reading of Budget Ordinance & Tax Rate Ordinance
Thursday, April 11	Work Session - Budget; FY2013 3 rd Quarter Financial Report
Saturday, April 13	Town Hall Meeting #2

Monday, April 15	Work Session - Budget
Thursday, April 18	Work Session - Budget
Monday, April 22	Public Hearing #3 and Adoption of FY2014 Operating Budget and FY2014-2018 CIP
Tuesday, May 7	School Board Adopts FY2014 School Budget

GENERAL FUND

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
Taxes	\$ 57,739,302	\$ 58,385,100	\$ 62,919,300	7.77%
Licenses and Permits	634,185	543,210	776,000	42.85%
Grants & Contributions	4,672,192	4,298,022	5,444,590	26.68%
Charges for Services	4,520,800	4,393,772	4,467,985	1.69%
Fines and Forfeitures	763,353	888,600	691,000	-22.24%
Revenue from Property and Money	104,992	69,000	128,500	86.23%
Miscellaneous	355,323	235,000	240,000	2.13%
Transfers from School Board	195,151	186,000	-	-100.00%
Other Financing Sources	17,579,336	319,000	319,000	0.00%
Total General Fund Revenues	\$ 86,564,634	\$ 69,317,704	\$ 74,986,375	8.18%
Expenditures				
Legislative				
City Council	\$ 87,416	\$ 101,948	\$ 101,552	-0.39%
City Clerk	206,036	219,002	230,032	5.04%
City Attorney	426,345	350,713	359,504	2.51%
Total Legislative	719,796	671,663	691,088	2.89%
Executive				
City Manager	501,920	504,255	526,373	4.39%
Communications	238,406	231,264	243,268	5.19%
Human Resources	368,141	444,310	459,321	3.38%
Risk Management	209,727	214,684	205,618	-4.22%
Information Technology	980,476	1,366,445	1,383,708	1.26%
Economic Development	321,839	348,122	362,923	4.25%
Total Executive	2,620,509	3,109,080	3,181,211	2.32%
Department of Finance				
Finance	863,022	933,261	961,186	2.99%
Real Estate Assessment	351,247	372,073	385,919	3.72%
Total Department of Finance	1,214,269	1,305,334	1,347,105	3.20%
Commissioner of The Revenue	642,065	688,225	802,700	16.63%
Treasurer				
Treasurer	413,188	472,679	488,950	3.44%
Property Relief Programs	-	100,000	102,000	2.00%
Total Treasurer	413,188	572,679	590,950	3.19%
Registrar	251,459	286,689	295,863	3.20%
Sheriff				
Sheriff	616,693	689,478	714,005	3.56%
Adult Corrections	810,312	827,083	977,428	18.18%
Total Sheriff	1,427,005	1,516,561	1,691,433	11.53%
Clerk of Court	18,129	28,931	48,305	66.97%

GENERAL FUND – CONTINUED

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures - Continued				
Department of Public Safety				
Police Chief	474,590	467,261	507,025	8.51%
Police - Red Light Program	213,804	232,404	254,520	9.52%
Police Operations	2,768,865	2,884,842	3,036,590	5.26%
Police Services	1,398,057	1,417,470	1,504,918	6.17%
Police Dispatch	360,523	532,220	749,603	40.84%
Animal Control	38,945	31,554	31,630	0.24%
Emergency Operations	75,161	83,279	103,831	24.68%
Fire Services - Arlington Fire Department	1,761,944	1,750,215	1,904,747	8.83%
Fire Marshal Services	114,937	58,660	80,183	36.69%
Fire Services - Falls Church VFD	286,004	269,936	267,936	-0.74%
Total Department of Public Safety	7,492,830	7,727,841	8,440,983	9.23%
Department of Public Works				
Administration	819,887	719,737	762,926	6.00%
Solid Waste & Recycling	798,803	829,290	837,402	0.98%
Highways, Streets, & Sidewalks	984,723	1,231,432	1,333,496	8.29%
Stormwater Sewer	511,042	353,213	-	-100.00%
Snow & Ice Removal	109,481	160,706	160,180	-0.33%
Traffic Sign Maintenance	342,670	348,862	424,700	21.74%
Street Cleaning	31,503	36,667	50,000	36.36%
Leaf Collection	153,209	173,507	176,394	1.66%
General Services	565,052	768,346	716,573	-6.74%
Fleet Maintenance	630,441	490,761	650,762	32.60%
Urban Forestry	554,906	585,517	640,781	9.44%
Total Department of Public Works	5,501,716	5,698,038	5,753,214	0.97%
Department of Human Services				
Court Services	405,864	369,942	270,510	-26.88%
Detention Programs	382,715	489,009	404,740	-17.23%
Aurora House	771,787	826,146	883,641	6.96%
Judicial Services	187,439	284,115	304,145	7.05%
Housing and Human Services	431,419	450,098	526,928	17.07%
Public Assistance Programs	755,809	869,459	908,313	4.47%
Community Services Board	593,720	605,595	605,595	0.00%
Health Department	211,118	227,600	257,600	13.18%
Total Department of Human Services	3,739,870	4,121,964	4,161,472	0.96%
Department of Recreation and Parks				
Recreation Administration	685,574	764,722	791,379	3.49%
Parks Maintenance	319,333	317,420	347,216	9.39%
Recreation Programs & Special Events	1,279,923	1,260,628	1,367,112	8.45%
Community Cultural & Arts Programs	5,000	20,000	70,000	250.00%
Athletic Programs	290,202	306,077	312,043	1.95%
Total Department of Recreation and Parks	2,580,032	2,668,847	2,887,750	8.20%
Library	1,744,714	1,864,270	1,923,927	3.20%
Department of Development Services	1,346,973	1,895,623	1,601,082	-15.54%

GENERAL FUND – CONTINUED

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures - Continued				
Education				
Transfers to Schools	27,861,600	29,903,800	33,775,600	12.95%
Community College Programs and Other Education	18,582	22,704	26,170	15.27%
Total Education	27,880,182	29,926,504	33,801,770	12.95%
Post-Retirement Benefits	163,079	144,000	150,000	4.17%
WMATA Payments	149,538	208,000	1,205,000	479.33%
Debt Service	21,513,537	4,519,379	4,745,554	5.00%
Transfers				
Transfers to CIP	200,000	667,076	600,000	-10.06%
Transfers to Water Fund	-	-	-	-
Total Transfers	200,000	667,076	600,000	-10.06%
Reserves				
Contingency	-	411,000	366,968	-10.71%
Reserves for Capital	-	186,000	200,000	7.53%
Restoration of Fund Balance	-	1,100,000	500,000	-54.55%
Total Reserves	-	1,697,000	1,066,968	-37.13%
Total General Fund Expenditures	\$ 79,618,891	\$ 69,317,704	\$ 74,986,375	8.18%

CAPITAL IMPROVEMENTS PROGRAM (CIP) FUND – GENERAL GOVERNMENT

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
Transfer from General Fund	\$ 200,000	\$ 667,076	\$ 380,000	-43.03%
Proceeds from issuance of bonds	7,450,000	10,626,500	13,894,048	30.75%
Grants	256,949	5,326,120	1,100,000	-79.35%
Gifts & Contributions	100,000	-	-	-
Use of fund balance	-	64,251	-	-
Proceeds from sale of property	-	-	-	-
Total CIP Fund Revenues - General Fund & School Board	\$ 8,006,949	\$ 16,683,947	\$ 15,374,048	-7.85%
Expenditures				
Transportation	\$ 276,152	\$ 5,732,447	\$ 2,245,000	-60.84%
Environment	64,814	1,415,000	-	-
Facilities	826,718	8,676,500	10,133,500	16.79%
Library	-	-	-	-
Public Safety	-	-	2,058,048	-
Recreation & Parks	29,950	310,000	430,000	38.71%
Information Technology	-	550,000	507,500	-7.73%
Total CIP Fund Revenues - General Fund & School Board	\$ 1,197,634	\$ 16,683,947	\$ 15,374,048	-7.85%

WATER FUND

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
Charges for Services	\$ 22,770,417	\$ 23,093,000	\$ 22,473,000	-2.68%
Revenue from Use of Property and Money	267,069	222,000	222,000	0.00%
Miscellaneous	13,009	-	-	-
Transfer from the General Fund	-	-	-	-
Use of Fund Balance		-	-	-
Total Water Fund Revenues	\$ 23,285,675	\$ 23,315,000	\$ 22,695,000	-2.66%
Expenditures				
Water Administration	\$ 4,850,226	\$ 4,208,472	\$ 3,756,923	-10.73%
Water Customer Service	1,321,356	1,471,750	1,480,250	0.58%
Source of Supply	7,135,702	9,752,679	10,071,184	3.27%
Water Distribution	2,371,862	2,800,443	2,852,027	1.84%
Connection	848,253	732,579	620,485	-15.30%
Debt Service	955,806	2,304,077	2,167,131	-5.94%
Other Post-Employment Benefits	41,800	45,000	47,000	4.44%
Transfers to CIP	-	2,000,000	1,700,000	-15.00%
Total Water Fund Expenditures	\$ 17,525,004	\$ 23,315,000	\$ 22,695,000	-2.66%

CAPITAL IMPROVEMENTS PROGRAM (CIP) FUND – WATER UTILITY

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
Transfer from Water Fund - Bond Proceeds	\$ -	\$ 3,650,000	\$ -	-100.00%
Total CIP Fund Revenues - Water Utility	\$ -	\$ 3,650,000	\$ -	-100.00%
Expenditures				
Capital Improvements	\$ 2,195,747	\$ 3,650,000	\$ -	-100.00%
Total CIP Fund Expenditures - Water Utility	\$ 2,195,747	\$ 3,650,000	\$ -	-100.00%

SEWER FUND

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
Charges for Services	\$ 3,073,519	\$ 3,945,000	\$ 3,675,000	-6.84%
Revenue from Use of Property and Money	14,851	10,000	10,000	0.00%
Total Sewer Fund Revenues	\$ 3,088,370	\$ 3,955,000	\$ 3,685,000	-6.83%
Expenditures				
Sewer Administration	\$ 228,804	\$ 276,862	\$ 273,281	-1.29%
Sewer Customer Service	47,962	63,759	66,836	4.83%
Collection and Disposal	1,311,532	1,462,677	1,673,567	14.42%
Debt Service	481,621	1,116,311	1,090,692	-2.29%
Other Post-Employment Benefits	3,400	2,500	3,000	20.00%
Transfers to CIP	400,000	900,000	500,000	-44.44%
Reserves	-	132,891	77,624	-41.59%
Total Sewer Fund Expenditures	\$ 2,473,320	\$ 3,955,000	\$ 3,685,000	-6.83%

CAPITAL IMPROVEMENTS PROGRAM (CIP) FUND – SEWER UTILITY

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
Proceeds from Bonds	\$ -	\$ 1,131,000	\$ 1,025,463	-9.33%
Transfer from Sewer Fund	400,000	400,000	450,000	12.50%
Total CIP Fund Revenues - Sewer Utility	\$ 400,000	\$ 1,531,000	\$ 1,475,463	-3.63%
Expenditures				
Capital Improvements	\$ 1,502,758	\$ 1,531,000	\$ 1,475,463	-3.63%
Total CIP Fund Expenditures - Sewer Utility	\$ 1,502,758	\$ 1,531,000	\$ 1,475,463	-3.63%

STORMWATER FUND

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
Charges for Services	\$ -	\$ -	\$ 1,706,000	-
Total Stormwater Fund Revenues	\$ -	\$ -	\$ 1,706,000	-
Expenditures				
Stormwater management	\$ -	\$ -	\$ 1,706,000	-
Total Stormwater Fund Expenditures	\$ -	\$ -	\$ 1,706,000	-

CAPITAL IMPROVEMENTS PROGRAM (CIP) FUND – STORMWATER UTILITY

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
Proceeds from Bonds	\$ -	\$ -	\$ 1,800,000	-
Total CIP Fund Revenues - Sewer Utility	\$ -	\$ -	\$ 1,800,000	-
Expenditures				
Capital Improvements	\$ -	\$ -	\$ 1,800,000	-
Total CIP Fund Expenditures - Sewer Utility	\$ -	\$ -	\$ 1,800,000	-

AFFORDABLE HOUSING FUND

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
Use of Fund Balance	\$ -	\$ -	\$ 283,500	-
Revenue from Use of Property and Money	835	-	-	-
Loan Repayments	30,000	-	-	-
Total Affordable Housing Fund Revenues	\$ 30,835	\$ -	\$ 283,500	-
Expenditures				
First-Time Homebuyers' Loan	\$ 499	\$ -	\$ 283,500	-
Total Affordable Housing Fund Expenditures	\$ 499	\$ -	\$ 283,500	-

SCHOOL BOARD – OPERATING FUND

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
Transfer from City	\$ 22,345,230	\$ 29,475,200	\$ 33,682,700	14.27%
State Grants	923,822	3,105,800	3,305,600	6.43%
Sales Tax	2,092,385	2,125,000	2,169,300	2.08%
Federal Grants	885,136	503,700	456,800	-9.31%
Other	460,765	1,047,700	837,400	-20.07%
Use of Fund Balance	-	1,450,000	486,000	-66.48%
Total School Board Operating Fund Revenue	\$ 26,707,338	\$ 37,707,400	\$ 40,937,800	8.57%
Expenditures				
Education	\$ 33,795,108	\$ 37,707,400	\$ 40,937,800	8.57%
Total School Board Operating Fund Expenditures	\$ 33,795,108	\$ 37,707,400	\$ 40,937,800	8.57%

SCHOOL BOARD – COMMUNITY SERVICES FUND

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
User Fees	\$ 1,098,098	\$ 1,082,160	\$ 1,391,400	28.58%
Transfer from City	428,600	428,600	92,900	-78.32%
Other	72,341	83,500	50,000	-40.12%
Use of Fund Balance	-	428,500	275,000	-35.82%
Total School Board Community Service Fund Revenue	\$ 1,599,039	\$ 2,022,760	\$ 1,809,300	-10.55%
Expenditures				
Community Services Expenditures	\$ 1,502,472	\$ 2,022,760	\$ 1,809,300	-10.55%
Total School Board Community Service Fund Expenditures	\$ 1,502,472	\$ 2,022,760	\$ 1,809,300	-10.55%

SCHOOL BOARD – FOOD SERVICES FUND

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Revenues				
User Fees	\$ 602,246	\$ 694,700	\$ 689,500	-0.75%
State and Federal Funds	136,485	145,600	138,100	-5.15%
Other	24,882	41,000	2,000	-95.12%
Transfer from School Operating Fund	3,000	3,000	8,000	166.67%
Use of Fund Balance	-	97,700	100,000	2.35%
Total School Board Food Service Fund Revenue	\$ 766,613	\$ 982,000	\$ 937,600	-4.52%
Expenditures				
Food Service	\$ 738,687	\$ 982,000	\$ 937,600	-4.52%
Total School Board Food Service Fund Expenditures	\$ 738,687	\$ 982,000	\$ 937,600	-4.52%

In order to comply with the Council Guidance of limiting general government operating expenditures growth to the rate of economic growth, departments have been unable to include the following needs in their budgets:

Description of Expenditure	Expenditure Amount
City Clerk	
Additional funds to update the City Code for code changes	2,000.00
Provide access to meetings for citizens with disabilities	1,000.00
Additional training funds towards advanced certification	1,000.00
Document scanning of old real estate files and City Agreements	3,000.00
City Attorney	
Full-time Assistant City Attorney who will do contract review, ordinance drafting, and other legal tasks as needed to relieve workload of City Attorney.	110,000.00
Executive Management	
Conduct a Comprehensive Compensation and Plan Study which is priority #1 of the six areas identified in the City's Organizational Development Plan	40,000.00
Administrative Assistant to support the Department of Executive Management and Finance	44,000.00
Additional funds for full-year funding of Network Database Administrator (partial year funding is included in the FY2014 proposed budget)	45,000.00
IT Communications Specialist	94,500.00
Additional funds to increase equipment refresh cycle closer to industry standard	80,000.00
Continuation of server virtualization for server consolidation and energy efficiency for long-term efficiency and cost management	75,000.00
Sustainability Coordinator	110,000.00
Finance	
Consultant to assist with the real estate assessment software upgrade	5,000.00
Commercial appraiser to assist the office in complying with new state requirements for assessment as well as pick up new construction and annexed land as part of the water utility sale.	140,000.00
Commissioner of Revenue	
Laptop computer to increase staff efficiency	1,000.00
Registrar	
Voter equipment to replace aging equipment	9,000.00
Custom shelving to increase staff efficiency	3,000.00

Sheriff	
Additional funds for temporary deputies to provide adequate court security	25,000.00
Radio Communication accessories- Batteries, Microphones	2,000.00
Clerk of Court	
Additional funds for supplemental salary and office expenses	12,000.00
Public Safety	
(1) Sworn Police Officer to Address Additional Services Needs	80,000.00
(1) Sworn Police Officer for school resources	80,000.00
Temporary Part Time Employee to Assist in Building Code Inspections	26,000.00
(1) Communications Dispatcher	50,000.00
Certify an Officer (Polygraph Examiner)	10,000.00
Conduct a City/School Emergency Management Exercise	20,000.00
Additional funds for fleet maintenance	56,000.00
Public Works	
Assistant Superintendent	100,000.00
Flatbed Replacement	20,000.00
Solar Arrow Boards (2)	12,000.00
Leaf Box	10,000.00
Dump / Flat Deck Truck	72,000.00
Sander	10,000.00
Vehicle Maintenance Manual Subscription	10,000.00
Plow	5,000.00
Maintenance Worker	55,000.00
Street Cans	11,000.00
Chipper	50,000.00
Agricultural Supplies	5,000.00
Scissors Lift	150,000.00
Field Technician	55,000.00
Tree Inventory Tracking System	25,000.00
Property Yard Open House Overtime and Supplies.	3,000.00
Assistant City Arborist	80,000.00
Loader	150,000.00
Recycling Center Camera	20,000.00

Human Services	
Court Services Director	114,000.00
Annual funding of \$280,000 to acquire and preserve affordable housing units in the City	280,000.00
Parks & Recreation	
2 Digital display boards to display community events at City entrances	35,000.00
Repairs needed for the Cherry Hill picnic shelter to include new roof shingles, addition of a gutter system, new fascia, and soffit	10,000.00
Purchase of floor cleaning/buffing machine that will help keep the Community Center floors in good shape	3,000.00
Additional funding for community cultural grants	20,000.00
Library	
Restore funding for library books and other materials	13,500.00
Replacement of a 10-year old RTI machine which is used to clean and fixed scratched DVDs and audio discs so they have longer life span	6,000.00
Expand the downloadable e-audiobooks and slowly begin to replace the audio discs now in the collection	10,000.00
Additional monies for eBooks so we start purchasing juvenile and young adult materials for the eBook collection	5,000.00
Development Services	
Administrative Assistant	70,000.00
Permits Technician	65,000.00
TOTAL UNMET NEEDS FOR FY2014	2,599,000.00

These requests are explained in more detail in the department narratives that follow.

The following are the adopted permanent positions in full-time equivalency (FTE).

	FY2012 Adopted	FY2013 Adopted	FY2014 Proposed
General Fund			
<u>Legislative</u>			
City Clerk	2.00	2.00	2.00
City Attorney	2.25	2.00	2.00
<u>Executive</u>			
City Manager	3.00	3.00	3.00
Office of Communications	2.00	2.00	2.00
Human Resources	2.35	2.50	2.50
Risk Management	0.45	0.50	0.50
Economic Development	2.00	2.00	2.00
Information Technology	1.00	1.40	2.40
<u>Department of Administrative Services</u>			
Finance	7.00	7.00	7.00
Real Estate Assessment	3.00	3.00	3.00
Voter Registration and Electoral Board	1.50	1.50	1.50
Commissioner of The Revenue	7.00	7.00	8.00
Treasurer	4.00	4.00	4.00
Sheriff	4.88	5.88	5.88
<u>Department of Public Safety</u>			
Police Administration	2.50	2.50	2.50
Police Red Light Program	0.50	0.50	0.75
Police Operations	22.75	22.75	22.75
Police Services	12.70	12.25	12.00
Dispatch	5.00	5.00	6.00
Emergency Management	0.50	0.50	0.50
Fire Marshal			
<u>Department of Public Works</u>			
Public Works Administration	5.85	5.94	5.90
Highways, Streets, and Sidewalks	12.65	12.00	11.75
Storm Water System	1.10	1.00	-
Snow and Ice Removal	-	-	-
Recycling and Solid Waste	1.00	1.00	1.00
Leaf Collection	-	-	-
General Services	1.00	2.00	2.00
Fleet Maintenance	4.00	4.00	4.00
Urban Forestry	4.00	4.00	4.00
<u>Department of Human Services</u>			
Aurora House	7.88	7.88	7.73
Court Services	3.75	3.75	3.10
Housing and Human Services Administration	5.00	5.00	4.80
<u>Department of Recreation and Parks</u>			
Parks and Recreation Administration	5.80	5.80	5.80
Parks Maintenance	3.00	3.00	3.00
Special and Cultural Events	5.00	5.30	5.30
Athletic Programs	1.00	1.00	1.00
Library	18.25	17.85	17.85
<u>Department of Developmental Services</u>			
Planning, Zoning and Building Safety	12.81	14.81	14.81
Total General Fund	178.96	182.11	182.81

	FY2012 Adopted	FY2013 Adopted	FY2014 Proposed
Water Fund			
Administration	10.40	10.40	10.15
Customer Service	13.30	13.30	12.35
Source of Supply	10.00	10.00	10.00
Distribution	18.15	17.90	17.90
Connection	6.00	6.00	6.00
Total Water Fund	57.85	57.60	56.40
Sewer Fund			
Administration	0.50	0.50	0.50
Customer Service	0.70	0.70	0.65
Collection and Disposal	3.10	3.10	3.10
Total Sewer Fund	4.30	4.30	4.25
Stormwater Fund			
Stormwater Management	-	-	9.20
Total Sewer Fund	-	-	9.20

	PROPOSED RATE	PER
Property Taxes <i>(Rates Effective January 1, 2013)</i>		
Real Estate (increase of 6 cents)	\$1.33	\$100
Personal and Business Property	\$4.84	\$100
Local Sales & Use Tax	1%	total sale
Consumer's Utility Taxes		
Residential telephone	10.00%	first \$50 of bill
Commercial telephone	20.00%	first \$50 of bill
Water & Sewer, residential	10.00%	first \$50 of bill
Water & Sewer, multi unit	8.00%	monthly bill
Water & Sewer, commercial	8.00%	monthly bill
Electric, residential	\$0.70 + \$0.007575	kWh
	not to exceed \$5.00	
Electric, commercial	\$0.92 + \$0.004807	kWh
Natural gas, single unit residential	\$0.70 + \$0.0039	CCF
Natural gas, multi-unit residential	\$1.016 + \$0.01759	CCF
Natural gas, commercial	\$0.676 + \$0.04098	CCF
Natural gas, industrial	\$0.676 + \$0.098	CCF
Cigarette Taxes	\$0.75	pack
Admission & Amusement Tax - Bowling	\$0.05	admission
Transient Occupancy Tax	5.00%	total bill
Restaurant Food Tax	4.00%	total bill
Gross Receipts Business Taxes <i>(Minimum fee of \$30 on gross receipts over \$10,000 up to \$50,000)</i>		
Contracting Services	\$0.16	\$100
Retail Sales	\$0.19	\$100
Professional Services	\$0.52	\$100
Repair & Personal Service	\$0.36	\$100
Wholesale	\$0.08	\$100
Rental Owner - Commercial	\$0.52	\$100
Rental Owner - Residential	\$0.38	\$100
Public Utilities	\$0.50	\$100
Specialized Occupations	\$0.36	\$100
Wholesale Sales	\$0.08	\$100
Alcoholic Beverages	\$50-\$1,500	year
Other Taxes		
Short Term Rental Tax	1.00%	gross rentals
Vehicle License		
Automobiles and Motorhomes	\$33	vehicle
Motorcycle	\$28	vehicle
Vehicles for transportation of property in excess of 4,000 Lbs	\$45	vehicle
Taxis & Limousines	\$30	vehicle

Note: In the above schedule, only real estate tax rate is proposed to change from 2012 from \$1.27 to \$1.33.

While the budget process concentrates on activities for the upcoming year, it is necessary to understand where FY2014 fits into the larger picture of both the past and the future. Each budget should be thought of both as a culmination of prior years' activity and as a basis for building future budgets.

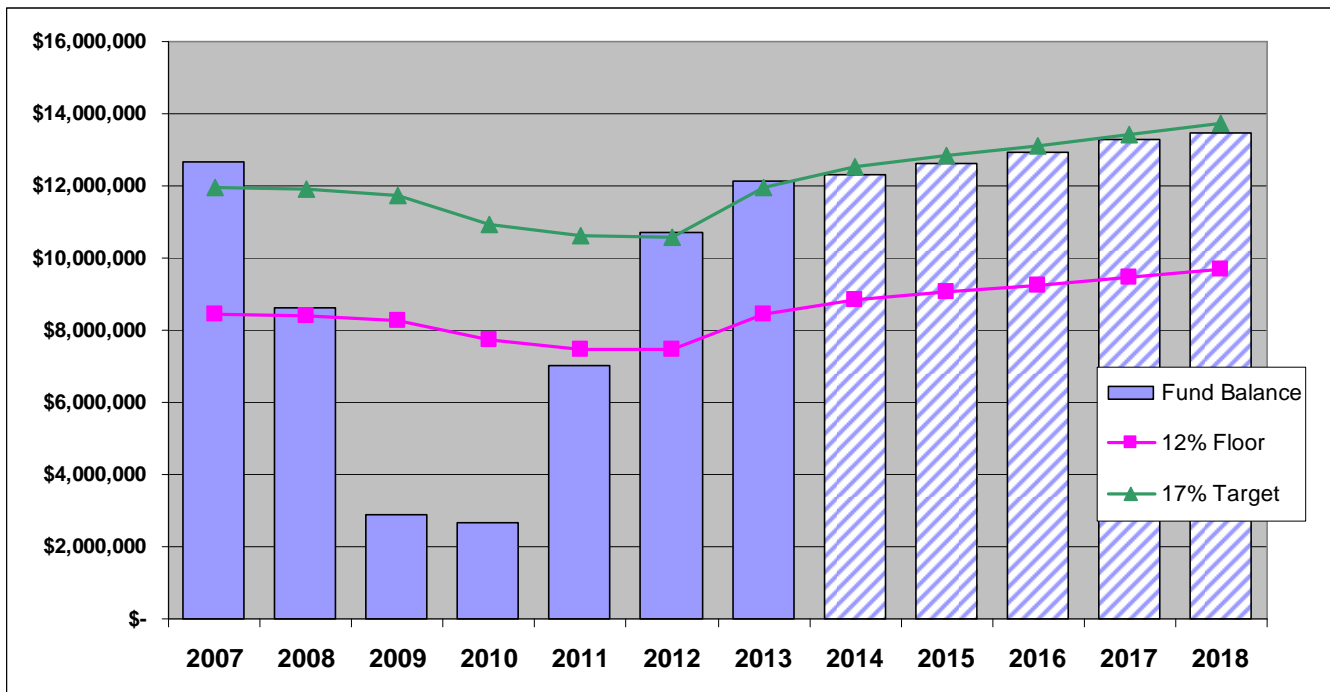
The City's current financial policy dictates that the fund balance should be restored back to the minimum target of 12% of expenditures within three years of the fiscal year in which it went down below the minimum requirement, and at or above the maximum requirement of 17% within five years. In FY2011, the City's financial results of operations produced a \$4.1 million surplus. In FY2012, the City adopted a budget that includes \$2.26 million to restore fund balance. As a result of these actions, the City is projected to have fund balance at 17.2% of expenditures by the end of FY2013, in compliance with its revised financial policy, adopted in December 2011.

As part of the planning process for the City's Capital Improvements Program (CIP), a five year financial projection is prepared to ensure the Program does not result in either debt service that exceeds the City's financial policies or expenditures that will result in a fund balance below the policy minimum. The table below is a summary of the financial projection for FY2014 through FY2018.

	FY2014	FY2015	FY2016	FY2017	FY2018
Revenues	\$ 74,986,375	\$ 76,861,034	\$ 78,398,255	\$ 80,358,211	\$ 81,965,376
Expenditures	73,686,375	75,561,034	77,098,255	79,058,211	80,665,376
Other Financing Uses	600,000	625,000	600,000	700,000	700,000
Net	700,000	675,000	700,000	600,000	600,000
Beginning Fund Balance	12,307,696	13,007,696	13,682,696	14,382,696	14,982,696
Ending Fund Balance	<u>\$ 13,007,696</u>	<u>\$ 13,682,696</u>	<u>\$ 14,382,696</u>	<u>\$ 14,982,696</u>	<u>\$ 15,582,696</u>
Undesignated Fund Balance	\$ 12,321,696	\$ 12,621,696	\$ 12,946,696	\$ 13,271,696	\$ 13,446,696
As a Percent of Expenditures	16.7%	16.7%	16.8%	16.8%	16.7%

These projections include revenue assumptions of 2%-2.25% growth from FY2015 through FY2018. The projections also assume that the City will control expenditures sufficient to provide increases in fund balance over the next five years. With this plan, the City's General Fund undesignated fund balance will remain at around the 17% target pursuant to the City's revised financial policy.

The graph on the next page shows the changes in undesignated fund balance, actual for FY2008 through FY2012 and projected through FY2018.



The restoration of the City's fund balance is both a matter of compliance with policy and an expressed priority of the City Council.

A more extensive table outlining projected financial activity and compliance with financial policies is included in the Capital Improvements Program section of this document on page 231.

The City issues general obligation debt to fund the acquisition of assets such as land or buildings or to fund major renovations, expansions or improvements to existing facilities. The projected outstanding principal balances for the City's general obligation debt at June 30, 2013 are as follows:

	FY2013
Schools	\$27,986,129
General Government	6,498,471
Water	16,385,000
Sewer	6,658,537
Total	\$60,858,147

Both the Water Fund and the Sewer Fund also hold notes payable to other jurisdictions as a result of its participation in regional treatment plants. The balance as of June 30, 2013 for the Water Fund is projected to be \$3,357,649 and \$3,081,223 for the Sewer Fund. The Sewer Fund also has a revenue bond payable with a balance as of June 30, 2013 of \$2,404,161.

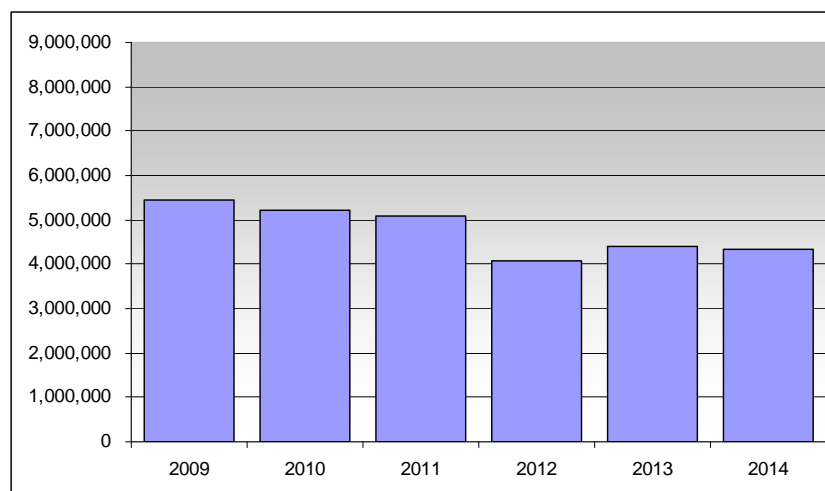
Virginia school divisions cannot issue their own debt; therefore both the liabilities and the debt service payments for debt issued for School purposes are budgeted and accounted for in the General Fund. Debt for water or sewer projects is issued as general obligation in order to realize favorable borrowing terms, however the liabilities and debt service are budgeted and accounted for in the respective enterprise funds.

The following table shows the allocation of current and estimated new debt service for FY2014 in the General Fund between General Government projects and School Division projects:

Function	Existing	New	Total FY2014	Percent
School	\$ 3,465,917	\$ 90,679	\$ 3,556,596	76.9%
General Government	864,934	202,024	1,066,958	23.1%
Total	\$ 4,330,851	\$ 292,703	\$ 4,623,554	100.0%

Section II (A) (2) of the City's financial policies states that: "debt service expenditures for all General Fund supported debt shall not exceed twelve percent (12%) of total General Fund expenditures." Debt service for FY2014 is budgeted to be 6.1% of total expenditures excluding fund balance restoration and capital reserves.

The City's debt service payments, including principal, interest and other fiscal charges, over six years (including FY2013 and FY2014 budget) are:

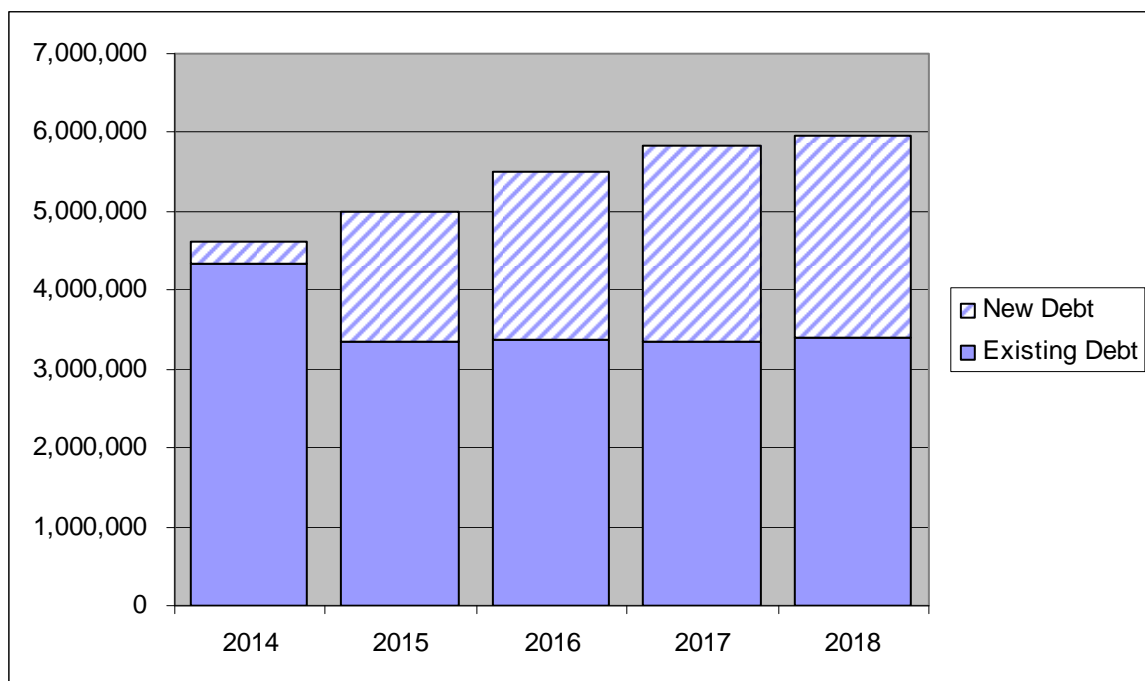


The City last issued General Fund supported debt in December 2011. The City also just refinanced the 2004 General Obligation bond that was issued to finance the construction of the Mary Ellen Henderson Middle School. We anticipate issuing \$12.0M in FY2013. The City has not yet issued any bonds relating to the FY2013 Capital Improvement Projects.

Section II (A) (6) of the City's financial policies states that: "At least 25% of total debt will be repaid within five years and at least 50% of total debt within ten years." By adhering to this policy the City avoids large fluctuations in debt service or future budgetary challenges associated with back-loading of principal payments. At June 30, 2013 the projected debt repayment schedule for General Fund supported debt will be:

Fiscal Years	Principal Amount	Percent
2014-2018	\$ 13,694,600	39.7%
2019-2023	13,716,666	39.8%
2024-2028	5,693,333	16.5%
2029-2032	1,380,001	4.0%
Total Principal	<u>\$ 34,484,600</u>	

The FY2014-2018 Five-Year Capital Improvement Program assumes the issuance of new debt in the amount of \$27,647,338 to fund projects for both the School Division and General Government. The chart below shows projected debt service through FY2018, indicating the share attributable to existing debt and new debt:



Debt service is projected to be 7.8% of total expenditures in the General Fund by FY2018.

From time to time, the City and the School Division enter into capital lease agreements for the use of equipment. A capital lease is a type of lease classified and accounted for by a lessee (the City) as a purchase and by the lessor (the vendor) as a sale or financing, if it meets any one of the following criteria: (a) the lessor transfers ownership to the lessee at the end of the lease term; (b) the lease contains an option to purchase the asset at a bargain price; (c) the lease term is equal to 75 percent or more of the estimated economic life of the property (exceptions for used property leased toward the end of its useful life); or (d) the present value of minimum lease rental payments is equal to 90 percent or more of the fair market value of the leased asset less related investment tax credits retained by the lessor.

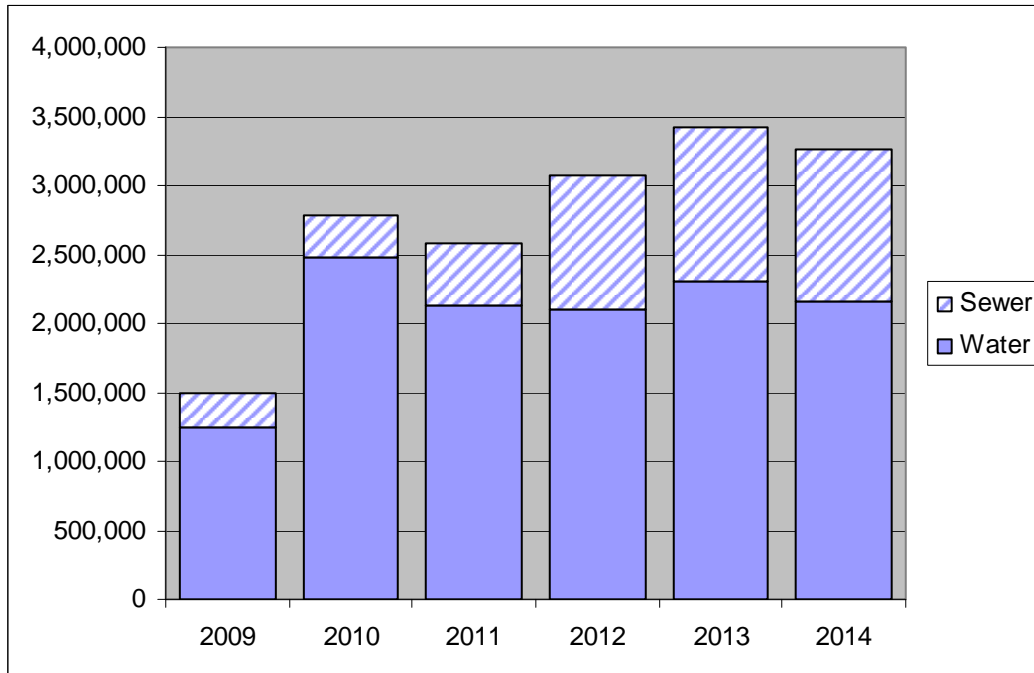
The future minimum lease payments as of the beginning of FY2013 are:

Fiscal Year	School Division
2013	20,664
2014	17,653
	<u>\$ 38,317</u>

A portion of the minimum lease payments is attributed to interest.

The City's financial policies allow for debt for projects related to the water or sewer enterprise funds to be issued only if sufficient revenues are anticipated to cover the debt service. Debt may be issued either as revenue bonds or general obligation bonds. Except for one sewer revenue bond, all bonds issued for the City's water and sewer systems have been issued as general obligation bonds in order to realize lower interest costs by pledging the City's full faith and credit.

Although debt issued for water and sewer projects has been issued as general obligation bonds, the liabilities are accounted for in the respective enterprise funds and the debt service expense is budgeted to be paid from the net revenues of the funds. The Water Fund also issued notes payable to the US Treasury and the District of Columbia with regards to its participation in the operations of the Army Corp of Engineers Washington Aqueduct. The City issued a note payable to Fairfax County with regards to its participation in the operations of the Alexandria Sanitation Authority. Principal and interest payments from the enterprise funds for five years, including budgeted for FY2013 and FY2014 are:



Due to the requirement to fund improvements at the Washington Aqueduct and the Arlington wastewater treatment plant plus the need to position the water system to serve anticipated development in the service area the City has committed to debt-funding major projects. To fund the CIP for the water and sewer funds the City anticipates issuing \$61,000,000 in bonds over the next five years.

More detail on planned debt issuance and the debt-funded projects can be found in the CIP section of this document beginning on page 227.

**FY2014 PROPOSED BUDGET
GENERAL FUND**



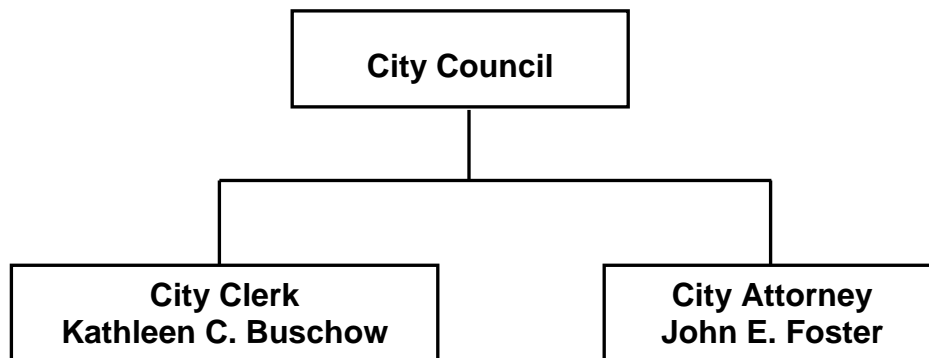
FY2014 PROPOSED BUDGET

GENERAL FUND REVENUES

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Real Estate Taxes	\$ 39,709,649	\$ 41,319,000	\$ 44,728,000	8.25%
Personal Property Taxes	4,160,735	3,911,500	4,302,700	10.00%
Non-Assessed Property Taxes	321,062	309,000	300,000	-2.91%
Local Sales and Use Taxes	3,899,279	3,795,000	3,848,600	1.41%
Utility Tax	2,034,528	1,975,000	2,035,000	3.04%
Cigarette Tax	408,596	420,000	410,000	-2.38%
Meals Tax	2,668,701	2,500,000	2,700,000	8.00%
Other Sales and Use Taxes	280,415	272,600	283,000	3.82%
Gross Receipts Business Taxes	3,279,701	3,023,000	3,316,000	9.69%
Other Taxes	976,636	860,000	996,000	15.81%
Total Taxes	57,739,302	58,385,100	62,919,300	7.77%
Building and Inspection Fees	453,353	374,500	545,000	45.53%
Other Licenses, Fees & Permits	180,832	168,710	231,000	36.92%
Total Licenses, Fees & Permits	634,185	543,210	776,000	42.85%
Grant Revenue - Federal	643,739	471,073	289,986	-38.44%
Other State CategoricalAid	638,357	610,267	677,727	11.05%
State Non-Categorical	2,934,897	2,870,877	2,920,877	1.74%
State Categorical	336,269	339,305	1,543,000	354.75%
Other Contributions	118,930	6,500	13,000	100.00%
Total Grants & Contributions	4,672,192	4,298,022	5,444,590	26.68%
Charges for Services - GenGovt	133,548	86,200	94,500	9.63%
Charges for Services - Judicial	82,199	96,492	82,292	-14.72%
Charges for Services - Public Safety	823,815	880,480	954,893	8.45%
Charges for Services - Sanitation	63,820	58,000	68,000	17.24%
Charges for Services - HHS	3,775	5,100	5,100	0.00%
Charges for Services - Culture and Recreation	1,737,611	1,620,000	1,659,200	2.42%
Admin & Motor Pool Fees - Water Fund	278,661	231,000	287,800	24.59%
Admin & Motor Pool Fees - Sewer Fund	34,062	32,000	37,100	15.94%
Other Charges	1,363,309	1,384,000	1,279,100	-7.58%
Total Charges for Services	4,520,800	4,393,772	4,467,985	1.69%
Court Fines & Forfeitures	470,536	597,600	400,000	-33.07%
Red Light Violations	206,385	204,000	204,000	0.00%
Parking Fines	37,213	37,000	37,000	0.00%
Library Fines	46,769	45,000	45,000	0.00%
Other	2,450	5,000	5,000	0.00%
Total Fines and Forfeitures	763,353	888,600	691,000	-22.24%

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Investment Revenues	(10,008)	-	-	-
Rental Income	115,000	69,000	128,500	86.23%
Total Revenue from Use of Property and Money	104,992	69,000	128,500	86.23%
Dispositions and Sales	110,617	55,000	55,000	0.00%
Recovered Costs	30,413	30,000	30,000	0.00%
Payments in Lieu of Taxes	150,000	150,000	150,000	0.00%
Other	64,293	-	5,000	-
Total Miscellaneous	355,323	235,000	240,000	2.13%
Transfer from School Board	195,151	186,000	-	-100.00%
Total Interfund Transfers	195,151	186,000	-	-100.00%
Proceeds from sale of bonds	17,579,336	259,000	259,000	0.00%
Use of Fund Balance	-	60,000	60,000	0.00%
Total Other Financing Sources	17,579,336	319,000	319,000	0.00%
TOTAL REVENUES - GENERAL FUND	\$ 86,564,634	\$ 69,317,704	\$ 74,986,375	8.18%

GENERAL FUND EXPENDITURES

ORGANIZATIONAL CHART**MAYOR AND CITY COUNCIL**

Mayor Nader Baroukh
 Vice Mayor David F. Snyder
 Council Member Johannah Barry
 Council Member Phil Duncan
 Council Member Ira Kaylin
 Council Member Ronald Peppe
 Council Member David Tarter

The City of Falls Church is governed by a seven-member City Council that elects its Mayor and Vice Mayor. The City Council establishes City policies; reviews and approves the City's annual operating and capital budgets; adopts ordinances; appropriates funds; approves rezoning and special exceptions to the zoning ordinance; and carries out other responsibilities set forth in the City Charter and State Code. The City Council also appoints members of boards and commissions and meets in regular session the second and fourth Monday of the month, and in work session on alternating Mondays.

Activities:

- Attend 22 regular meetings and 22 work sessions held annually, in addition to special meetings and work sessions.
- Travel to Richmond to lobby for legislation during the Virginia General Assembly sessions.
- Membership and participation in the Metropolitan Washington Council of Governments (COG) through service on various COG committees.
- Membership and participation in the Northern Virginia Regional Commission (NVRC).
- Membership and participation in the Transportation Planning Board (TPB).
- Membership and participation in the Virginia Municipal League (VML), including attendance at both the VML Conference and Legislative Day.
- Council Committees may meet as often as once a week (Economic Development Committee (EDC), Budget/Finance Committee; once a month (Appointments Committee), or as needed (Legislative Committee, Government Operations, and School Board/Council Liaison Group).
- Serve as liaisons to boards and commissions (attend meetings and work with groups): CACT, HARB, FC Cable Access Corporation Board, EDA, Girls' Home Advisory Board, Historical Commission, Housing

Commission, HSAC, Library Board of Trustees, Recreation & Parks Advisory Board, Environmental Services Commission, and Tree Commission.

- Conduct an annual one-day Council retreat to plan Council objectives for the upcoming year.
- Participate in other retreats with the School Board and Planning Commission.

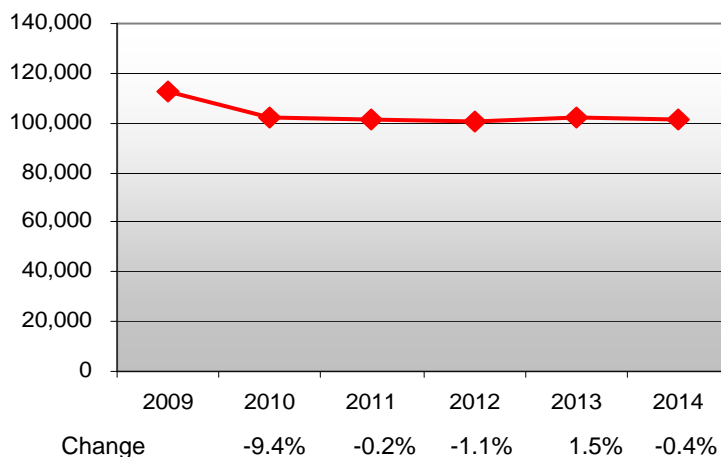
Aside from the regular Council meetings, work sessions, and board and commission meetings the Mayor and Council Members attend in connection with City business, Council Members meet (individually or collectively) with constituent groups about various issues important to the City and in public forums. In the evenings and on the weekends, while at home, they respond to phone calls and mail from citizens. Council Members also work one-on-one with other jurisdictions for the betterment of the City on various issues.

The Mayor and Council Members are also invited to attend multiple civic and community events, including but not limited to: Cub Scouts Derby Day, Boy Scouts Annual Bike Ride; presentation of Eagle Scout badges; monthly Greater Falls Church Chamber of Commerce luncheons and annual Gala; Memorial Day Parade and Festival; Fall Festival; annual Falls Church Education Foundation fund raising event; the Hunger Tour hosted by the Capital Area Food Bank; monthly FIRSTfriday events; openings of new businesses in the city; Town Hall meetings with state and federal legislators; League of Women Voters events; regional Transportation meetings; events hosted by the Vietnamese community at the Eden Center; and events hosted by the Falls Church Housing Corporation.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 58,200	\$ 65,000	\$ 65,000	0.00%
Benefits	4,452	4,973	4,973	0.00%
Materials, Supplies, and Other	24,763	31,975	31,579	-1.24%
Net Expenditures				
Supported by General Revenues	\$ 87,416	\$ 101,948	\$ 101,552	-0.39%

BUDGET TREND: FY2009–2014



Notes:

- The increase between FY2007 and FY2008 was due to increased costs related to the Northern Virginia Regional Commission (NVRC).
- The increase in FY2009 is mostly due to a salary increase for council members.
- Council's Special Activities budget was reduced by nearly 50% in FY2010.

CITY CLERK

To meet the Council's Vision of providing outstanding government and public outreach, the objective of the City Clerk's Office is to make local government more accessible to the public; to provide citizens with meaningful, relevant, and convenient ways to participate in local government; to provide a human link between the City Council and individual citizens; and to maintain the history of the City's governing body.

Annually, this office provides administrative support to the City Council by attending 22 regular City Council meetings; 22 or more work sessions, and preparing the official minutes of each meeting. Prior to each City Council meeting, the City Clerk's Office manages and coordinates the organization and collection of materials for the upcoming meeting and distributes such packages to Council and key staff. The City Clerk's Office also assists staff with writing staff reports and legislation to present to Council. Immediately following a City Council meeting, the Legislative Update summarizing Council actions is sent out to the public via email and posted on the City website the following morning.

The City Clerk's Office supports the City Council Appointments Committee by advertising board and commission vacancies each month, collecting applications, and facilitating interviews to fill vacant positions. The City Clerk or Deputy swears in newly appointed board and commission members and also serves as staff liaison for the Historical Commission. The City Clerk's Office facilitates boards and commissions in discussing issues with the Council. The City Clerk's Office has a visible presence at the Fall Festival to encourage citizen participation in boards and commissions, and provide information in that regard; as well as offer citizens information about City government and City Council.

This office updates the City Code by coordinating delivery of new ordinances passed by the City Council to the Municipal Code Corporation for regular updates of the Code on the Web. The City Clerk also facilitates the publication of an annual Code Supplement and distributes them to appropriate City departments.


The City Clerk's Office actively reaches out to the citizenry to assure that the community is engaged in decisions affecting the City's well-being and sustainability. Citizens receive accurate and timely information and have every opportunity to be heard and participate in the deliberative process through regular notifications of upcoming meetings, copies of documents supporting proposed legislation, and follow-up reports on Council actions via the internet and city website. The City Clerk's Office drafts, tracks, and makes available to City Council, City staff, board and commission members, and citizens staff reports and related documents for approximately 75 new pieces of legislation each year via the city website or an e-mail distribution list. The office also notifies the community of City Council activities by preparing and posting approximately 90 notices of public meetings. Notices concerning legislation are regularly prepared and distributed to the local publication of record -- in accordance with state law -- and copies are maintained by the City Clerk's Office. In late 2009, City Council meetings and work sessions began to be posted on the city website through a new video streaming and agenda publishing program. This program allows citizens to view City Council meetings on their computer in real time or they may view the meeting later, at their convenience. With this new program, citizens can select the topic portion of the meeting they wish to view, click that item on the agenda and immediately go to that portion of the video. Additionally, relevant staff reports are immediately available to the public by clicking on the link in the agenda. Work sessions are video-streamed live, if the Planning Commission is not meeting at the same time, or available for viewing on the web immediately thereafter as a new service.

The City Clerk's Office receives, opens, copies, and distributes approximately 1,500 pieces of mail to the Mayor and City Council annually, and maintains the official calendar for all of the Mayor and Council's upcoming events. In addition, the City Clerk swears in approximately 65 newly appointed members of Boards and Commissions and newly elected City Council members. The City Clerk prepares notes of the weekly staff meeting with the Mayor for distribution to Council, serves as the City's Records Manager and FOIA Coordinator, initiates FOIA and Records Management training, and conducts research for staff of historical documents/records.

For FY2014, the City Clerk's Office requested but was not funded \$7,000 which would be used for the following purposes: (1) \$2,000 for electronic codification of changes to the City code in case new ordinances are adopted during the year; (2) \$1,000 to provide live access to City meetings to citizens with disabilities; (3) \$1,000 of

additional training funds for the City Clerk to obtain advanced certification; and (4) \$3,000 to scan and electronically store old real estate transactions, agreements, and contract files.

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH	
GOAL	Civic Engagement – Provide citizens with meaningful, relevant, and convenient ways to participate in local government.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> City Council Web Page to have the most current data, information, and minutes. 	<ul style="list-style-type: none"> Information on how the City Council operates, how City Council meetings are run, and how to access City Council is available on the city website. Meetings are video-streamed on the web and available to viewers in real time for City Council Meetings and immediately thereafter for work sessions. Minutes of City Council meetings are posted on the web along with relative documents and linked to discussion in the meeting with Granicus technology. Legislative Update posted after each City Council Meeting.
<ul style="list-style-type: none"> Inform citizens of government process. 	<ul style="list-style-type: none"> Notification of City Council meetings and work sessions are posted on the City website and also sent out via email-
<ul style="list-style-type: none"> Clearly defined roles for city boards and commissions and opportunity for communication with Council 	<ul style="list-style-type: none"> Hold board/commission roundtable discussions with City Council to listen to Board member concerns and to share information among the City boards and commissions.
<ul style="list-style-type: none"> Seek out qualified and interested volunteers to work with the city government in a supportive/advisory role 	<ul style="list-style-type: none"> Regularly publish notices seeking volunteers and participate in City-wide events, such as the Fall Festival, to provide public outreach/education on volunteer opportunities.

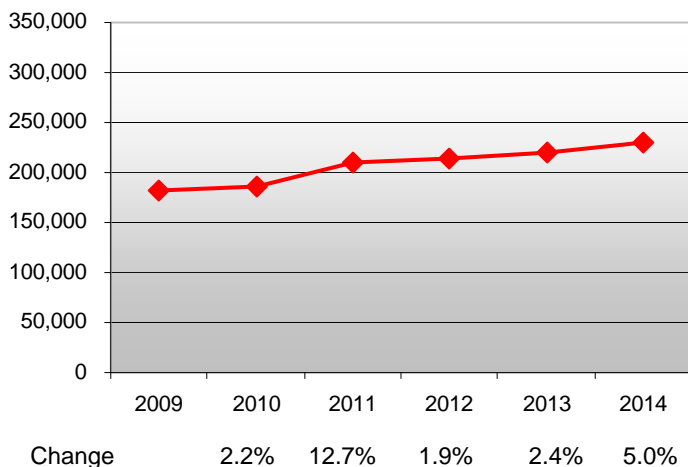
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 2.00 TOTAL

- 1.00 City Clerk
- 1.00 Deputy City Clerk

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 142,911	\$ 145,613	\$ 148,782	2.18%
Benefits	37,136	38,685	42,592	10.10%
Professional and Contractual	21,510	26,000	29,000	11.54%
Materials, Supplies, and Other	4,479	8,704	9,658	10.96%
Net Expenditures				
Supported by General Revenues	\$ 206,036	\$ 219,002	\$ 230,032	5.04%

BUDGET TREND: FY2009-2014**Notes:**

- Increase in the FY2011 budget was due to funding the Granicus video streaming of City Council meetings and work sessions.

CITY ATTORNEY

The mission of the City Attorney's Office is to provide legal counsel and advice to the City Council, School Board, City Departments, Boards and Commissions, and represent the City in litigation before state and federal courts, as well as before various administrative agencies. In addition, the City Attorney drafts and reviews amendments to ordinances and other legislation, and serves as the prosecuting attorney in Falls Church General District and Juvenile and Domestic Relations Courts. The City Attorney also represents the City on the Council of Governments committee of regional local government attorneys.

The office of the City Attorney provides effective, competent legal service to the City government and schools. Legal services include trial and appellate practice; contracts; and land use. In addition to meeting litigation demands, legal analysis and advice is also routinely provided for city officials on a wide range of topics such as zoning; Freedom of Information Act compliance; building code enforcement; employment disputes including grievances and mediation; and economic development issues.

The demand for legal services is expected to increase in the next fiscal year given the ongoing redevelopment of the City and the continued litigation regarding the City's water system.

For FY2014, this office requested but was not funded, a full-time Assistant City Attorney position. This position will perform contract reviews, draft ordinances, and other legal tasks so as to provide the City Attorney with more

time to provide attention to legal matters of higher importance. It is estimated that the cost of this position would be about \$110,000.

STAFFING AND BUDGET RESOURCES

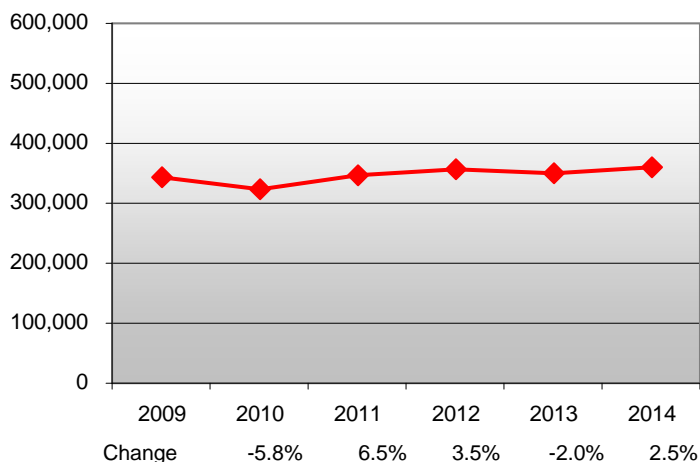
PROPOSED POSITIONS BY FTE – 2.25 TOTAL

- 1.00 City Attorney
- 1.00 Paralegal
- 0.25 Assistant Prosecutor

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 234,990	\$ 209,543	\$ 217,653	3.87%
Benefits	56,842	56,210	62,191	10.64%
Professional and Contractual	121,689	75,300	70,000	-7.04%
Materials, Supplies, and Other	12,823	9,660	9,660	0.00%
Net Expenditures				
Supported by General Revenues	\$ 426,345	\$ 350,713	\$ 359,504	2.51%

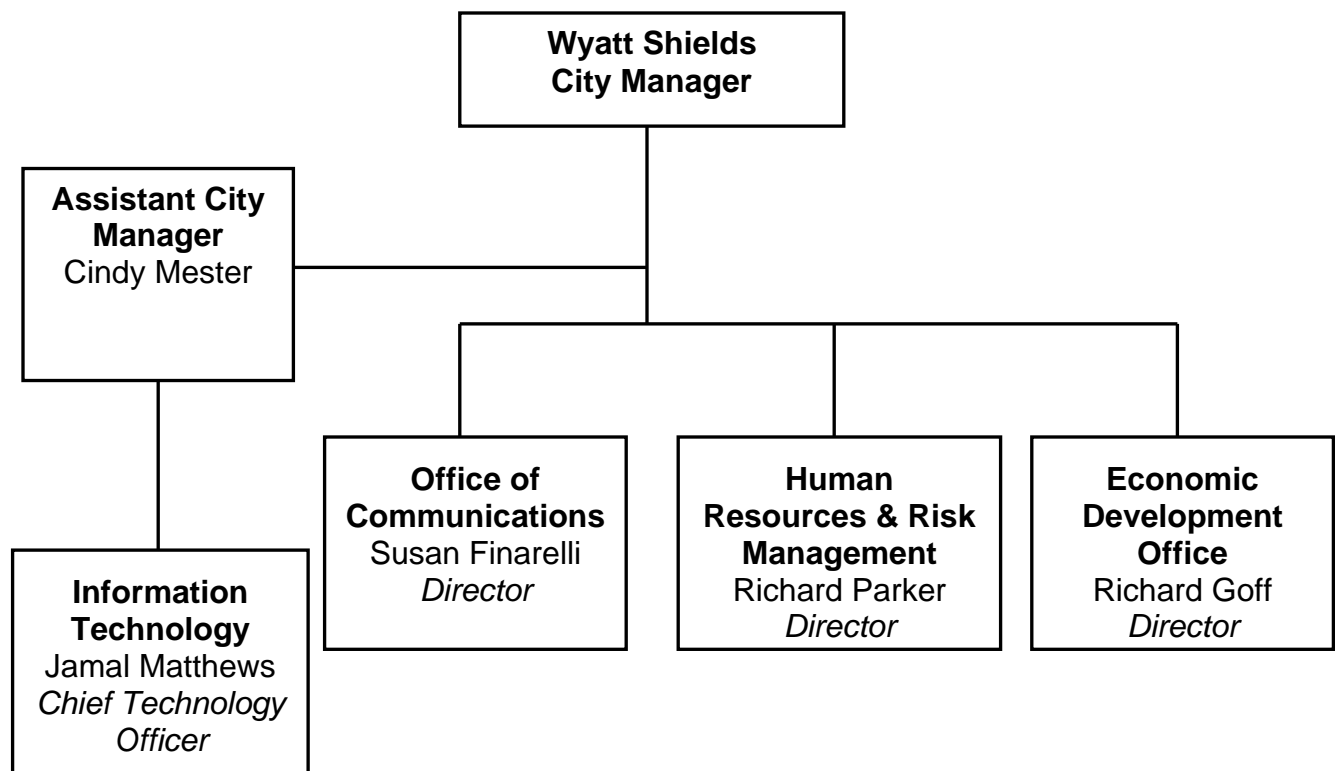
BUDGET TREND: FY2009-2014



Note:

- The increase in FY2009 is mostly due to funding of other post-employment benefits.
- The decrease in FY2010 is primarily due to decrease in professional fees attributed to lesser need for outside counsel.
- The increase in FY2011 is primarily due to an increase in professional services for complex litigation.
- The increase in FY2012 is a result of increase in costs of benefits.
- The reduction in FY2013 is a result of the proposed transfer of all misdemeanor cases to the Commonwealth's Attorney's office. This cost is reflected in Judicial Services.

EXECUTIVE MANAGEMENT



CITY MANAGER

The mission of the City Manager's Office is to provide timely, professional recommendations and implement the vision and policies of the City Council; to ensure the delivery of high quality services with outstanding customer service at a good value to taxpayers, residents and visitors of the City; and, to foster economic and fiscal sustainability; to enhance the City's reputation as a high performing, learning, and caring governmental organization that operates in a manner consistent with its mission and values.

In fulfilling this mission, the City Manager and team develops and implements the strategic plan designed to fulfill the City Council's vision; implements all policies adopted by the City Council; facilitates community dialog on Citywide issues; develops a high performing organization utilizing best practices and system-process improvements; and implements and monitors the City's annual operating budget and capital improvements program.


To fully execute this mission, the City Manager ensures that the general government organization actively participates in all City Council meetings; routinely participates in regional/statewide organizational meetings; participates in the federal and state legislative process; and provides technical assistance to numerous boards and commissions, as well as community advocacy and non-profit groups (i.e., VPIS/FCHC/FCA/THHF/Victorian Society) to promote an informed citizenry. In addition, the City Manager ensures effective internal communication among the organization through weekly management meetings, bi-weekly meetings with department managers, meetings with front line staff, and by attending the monthly Employee Advisory Committee meeting.

A valuable customer service tool managed by this office is the constituent comment system, whereby citizens can notify City management of a concern, complaint and/or question. Last year, the system manager responded to approximately 100 submissions. Additional emails and phone calls were responded to as well.

The following items were requested but were not funded in this proposed budget:

- **Sustainability Coordinator:** The Director of Public Utilities currently serves as the City's staff leader for environmental sustainability and climate change. With the sale of the Water Utility, this leadership position and staff resource will be lost to the City. The position is responsible program and policy development (such as the Sustainable Facilities Policy) including serving as chair for the inter-departmental committees and task forces, and tracking progress in achieving sustainability goals and objectives. The position is responsible for the preparation of sustainability-related plans and documents for internal and external agency review, including grant applications. The position performs a variety of research related to sustainability planning, including the collection and analysis of data (including the ICLEI Green House Gas Emissions Model) and evaluating best practices and policy implications. The position supports and provides technical assistance to City Council and other City boards and commissions as well as coordinates with various regional agencies and partners on programs and projects related to the City's and region's sustainability efforts. The position conducts public outreach, education, and other community awareness activities, including the development of educational and marketing materials. To continue this work and realize the cost efficiencies and environmental benefits of sustainable operations, the position of Sustainability Coordinator would need to be created, at an estimated cost of \$110,000 per year.
- **Administrative Assistant:** During the economic downturn, this office was reduced by one full time position that provided receptionist and administrative support to the City Manager, City Clerk and Communications office. Requested for FY2014, but not funded, was an administrative assistant to support multiple offices on the third floor east wing in terms of invoice processing especially for information technology citywide services, payroll entry, constituent inquiries, correspondence and receptionist services. Currently this work is being prioritized to the detriment of other core services and is delaying other important projects. Request was for one FTE at \$44,000/year.

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH	
GOAL	To provide first-class, professional service to an appreciative community creating a 2025 City that is a wonderful place to live, work and shop while retaining the benefits of small town life and is financially sustainable. Citizens and employees are active participants in civic and public life.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Annually implement all strategic goals and objectives as established by the City Council and consistent with the adopted Vision. 	<ul style="list-style-type: none"> At least 95% of all strategic plan goals and objectives are annually implemented on time.
<ul style="list-style-type: none"> Actively engage the community in an ongoing deliberative decision making process to formulate policy recommendations to Council. 	<ul style="list-style-type: none"> City staff ensures effective citizen participation in at least 40 Council regular and work session meetings through distribution of fact based informative staff reports. City staff will actively participate in community sponsored events.
<ul style="list-style-type: none"> Provide timely and responsive customer service to all citizens, external agencies and internal departments to ensure convenient access to City services and officials. 	<ul style="list-style-type: none"> Facilitate response to 100% of constituent comment system submissions within three business days. Respond to 100% of customer inquiries within three business days.
<ul style="list-style-type: none"> Develop and implement the City's annual operating budget and capital improvements program to execute the Council's adopted Budget Guidance, Vision, and Strategic Plan and comply with fiscal policies. 	<ul style="list-style-type: none"> Annually adopt a balanced budget by May 1. Annually prepare the budget with prioritized and required resources to deliver quality core services efficiently/timely and fairly. Implement 95% of CIP infrastructure projects within overall budget allocation.

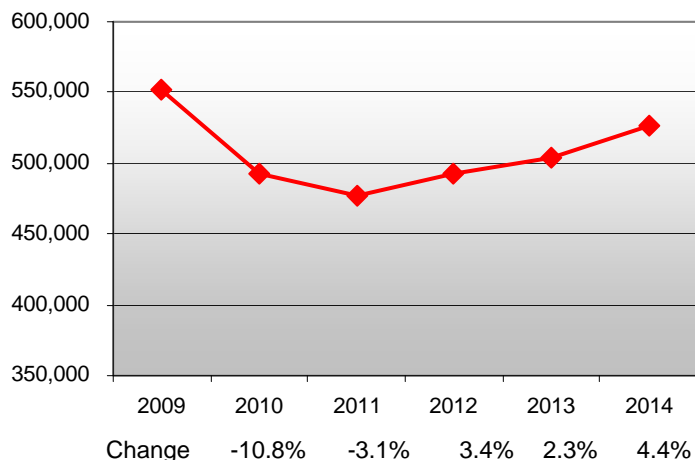
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 3.00 TOTAL

- 1.00 City Manager
- 1.00 Executive Assistant
- 1.00 Assistant City Manager

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 367,240	\$ 374,124	\$ 382,076	2.13%
Benefits	109,563	112,391	123,492	9.88%
Professional and Contractual	6,692	960	2,400	150.00%
Materials, Supplies, and Other	18,425	16,780	18,405	9.68%
Net Expenditures				
Supported by General Revenues	\$ 501,920	\$ 504,255	\$ 526,373	4.39%

BUDGET TREND: FY2009–2014**Notes:**

- The decrease in funding between FY2009 and FY2010 is due to the elimination of the Administrative Assistant position, along with other reductions in special events, travel, and professional services.
- The decrease in funding between FY2010 and FY2011 is due to elimination of the City contribution to deferred compensation for City Manager and Assistant City Manager.

OFFICE OF COMMUNICATIONS

The Office of Communications provides information about City government programs, services and activities to the public and employees in a variety of ways, using electronic/online, print and social media. Each year the Office serves as spokesperson for the City and distributes more than 160 news releases and media advisories to local, regional and national media, creates over 560 Facebook posts for 1,400 followers, posts over 550 times on Twitter to 550 followers, and distributes 26 eFocus Newsletters to 1,400 subscribers.


Working with the Police Department and Fire Marshal/Emergency Manager, as well as NVRC and the Metropolitan Washington Council of Governments, the Office of Communications is responsible for the City's emergency communications outreach to the public and employees which includes notifying radio, TV and online media; posting critical updates on the City's website www.fallschurchva.gov, Facebook page, Falls Church Cable TV (FCCTV), citizen and employee "hotlines"; the City's emergency alert notification network alert.fallschurchva.gov, and the City's emergency broadcast radio station, 1680 am. Emergency communications includes severe weather events like the 2012 Derecho and police events impacting the community like the 2012 Hillwood incident. In those instances, OCOM also serves as the onsite media spokesperson for the City and Police Department.

The City's Director of Communications also provides communications assistance as needed to Falls Church City Public Schools and serves as General Manager of FCCTV, the City's cable television station.

The Office of Communications counsels all City departments on promoting the City "brand", publicity, publications and media relations; and promotes more than 20 annual City-wide events, which is critical to the amount of public participation as well as level of revenue generated by those events.

The FY2012 Budget eliminated funding in the Office of Communications for the Senior Graphics Designer. The change to fewer printed materials is a disadvantage for residents and the public who do not have access to online media and who rely on printed communication.

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH	
GOAL	Increased public awareness and understanding of the City government's programs, services and activities.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Upgrade and update the City's website to provide more interactive features and online services and to improve the site's ease of navigation. 	<ul style="list-style-type: none"> Convert the most-used public forms to fillable PDFs, thereby increasing convenience for the public and increasing accuracy and efficient processing by staff. Upgrade e-newsletter to better target content to readers, ensuring more awareness and comprehension. Continue to streamline navigation and webpage logic.
<ul style="list-style-type: none"> Expand City government programming for and integration with FCCTV. 	<ul style="list-style-type: none"> Produce 2-3 programs about City government services by June 30, 2014.

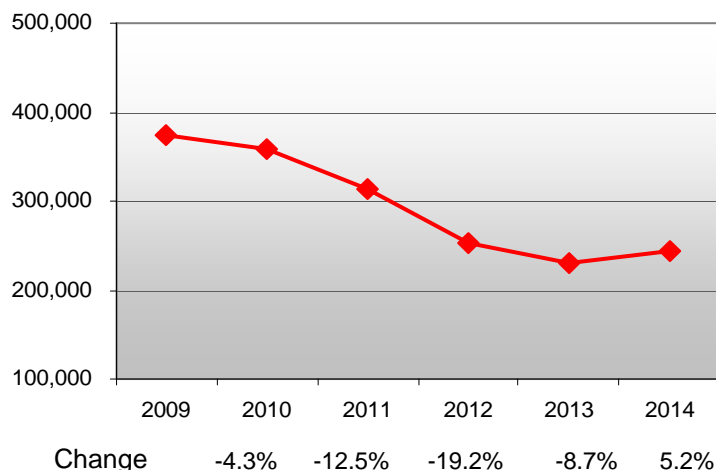
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 2.00 TOTAL

- 1.00 Communications Director
- 1.00 Online Communications Specialist

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 171,689	\$ 149,882	\$ 156,512	4.42%
Benefits	55,580	49,281	54,655	10.90%
Professional and Contractual	4,003	27,650	27,650	0.00%
Materials, Supplies, and Other	7,134	4,451	4,451	0.00%
Capital Outlay	-	-	-	0.00%
Net Expenditures				
Supported by General Revenues	\$ 238,406	\$ 231,264	\$ 243,268	5.19%

BUDGET TREND: FY2009–2014**Note:**

- The decrease in FY2010 is due to reductions in travel and education and the elimination of the annual City calendar.
- FY2011 reduction reflects a change to the weekly City Focus to a monthly publication.
- FY2012 reduction reflects the elimination of the senior graphics designer position.
- FY2013 reduction is due to turnover in the two positions.

HUMAN RESOURCES

The Human Resources Division provides a full range of Human Resources services to all permanent full-time and part-time employees, a large pool of seasonal and temporary employees and all retirees. These services include the general administration of personnel matters, including but not limited to leave policies, development and maintenance of a classification plan, a uniform pay plan for employees, development and revision of administrative regulations, organization and development of employee task forces and procedures for resolving grievances of employees. Human Resources provides feasibility analysis of reorganization functions, job-sharing and the impact on city services rendered, fiscal cost comparisons and other pertinent data.

This Division conducts recruitments for all vacancies, full-time, part-time, seasonal and temporary hires, and averages approximately 70 vacancies annually. Attracting the right applicants and selecting the right employees are vital to the City's success. To that end, Human Resources coordinates with the hiring division, develops the Recruitment Announcements and advertisements, screens thousands of resumes received from applicants and forwards the ones received from the top candidates to the hiring division, serves on the interview panels, makes hiring decisions, provides guidance and oversight to supervisors regarding the contacting of references for all prospective hires, negotiates salary offers and extends written offers to selected hires.

For new employees, the Division processes all pre-employment screening such as criminal history checks and drug screening; processes all tax forms and documentation for I-9 Employment Eligibility Verification Forms and conducts orientation for all new employees. The Division also follows up with new employees to ensure their transition to City employment is smooth.

This Division maintains personnel files for all employees, ensuring they contain accurate information and are properly stored and secured at all times. The City identification and access cards that are required for all employees are issued through Human Resources and building access problems are resolved through this Division.

Human Resources maintains job specifications for all positions and conducts classification studies for positions as required to ensure that positions are correctly classified and that compensation is comparable to neighboring jurisdictions for positions. Annual market studies are conducted and selected positions are benchmarked to ensure parity with assigned responsibilities and salaries of comparable positions elsewhere.

The Human Resources Division also is responsible for providing staff assistance to the City's Retirement Board and the Human Resources Director serves as the Administrator of the City's Basic and Police Pension Plans. Information is provided to all employees each year about the City's Retirement Plans by this office. Retirement


estimates and counseling are provided to employees by this Division. Annually, Human Resources administers open season enrollment for dental, medical, Flexible Benefits Plan, Sick Leave Bank and life insurance. In addition, the Human Resources Division administers the City's Section 125, Flexible Benefits Plan, the City's Deferred Compensation Plan, the Commonwealth of Virginia College Savings Plans, Workers' Compensation Program, the Employee Assistance Program and Long-Term Disability. These benefits support over 1,000 active and retired employees and their dependents. This section also provides post retirement health insurance benefits to retirees and benefit services to the employees of the Northern Virginia Criminal Justice Training Academy and the City's Constitutional Offices.

The Human Resources Division provides leadership and career development for all levels of employees for the purpose of team building, leadership, management and supervisory skills, career development and enhancement of customer service and communications skills. Human Resources also advises management on issues regarding Human Resources law, interpreting policy, gathering facts, conducting research, diagnosing problems, providing solutions and offering objective assistance and guidance on employee-related issues.

The Human Resources Division also handles all grievance issues and serves as mediator between supervisors and employees as needed, and works to resolve issues at the employee-supervisor level so that it will not be necessary for employees to file grievances. The staff serves as liaison to the City Employee Review Board, the City Council's Personnel Policy Committee, the Employee Advisory Council, and the Retirement Board.

The Division administers the Employee of the Year program to recognize employees doing an outstanding job above and beyond the requirements of their assigned duties. Also, the annual Service Award program is administered to positively recognize employees who have reached certain milestones in their career with the City for their loyal service.

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH		
GOAL	To maintain competitive pay plans and benefits packages for City employees that enables the City to attract candidates from diverse backgrounds and retain high performing employees.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Ensure the City's Pay Plans are comparable with surrounding jurisdictions. 	<ul style="list-style-type: none"> Survey surrounding government compensation plans by March 1 each year so any adjustment can be included in the proposed budget. 	
<ul style="list-style-type: none"> Ensure that the City's Benefits Package is competitive with surrounding governments. 	<ul style="list-style-type: none"> An Employees Benefits Task Force has been established to ensure the City's Benefits Package is competitive with surrounding jurisdictions. Obtain competitive Life Insurance and Long-Term Disability rates. 	
<ul style="list-style-type: none"> Ensure that classification studies are done on a continual basis so the City remains competitive with surrounding jurisdictions. 	<ul style="list-style-type: none"> Classification studies are concluded within 60 days of receipt of position analysis questionnaire. 	
<ul style="list-style-type: none"> Ensure that the City workforce and staff leadership reflects the diversity of the community, and the City embraces and celebrates the strength that comes through diversity. 	<ul style="list-style-type: none"> Advertise vacant positions in a manner to reach a diverse pool of applicants. Encourage qualified employees from other governments who will add diversity to the City to apply for openings. Provide diversity training for all employees. 	

GOAL	To provide employee development to enable City employees to provide better services to citizens and to identify and prepare employees to compete for higher level positions.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Provide systematic and ongoing opportunities for professional development. 	<ul style="list-style-type: none"> Develop a City-wide training plan, and encourage each City employee to take at least two training programs in FY14. 	
<ul style="list-style-type: none"> Cultivate leaders at all levels of the organization. 	<ul style="list-style-type: none"> Identify employees with leadership potential and prepare them for future opportunities by using a mentor and/or attending specific leadership training. 	
<ul style="list-style-type: none"> Prepare for the retirement of key employees. 	<ul style="list-style-type: none"> Assist departments with succession planning by identifying and assisting employees develop the skills and experience needed for promotion within the organization. 	

STAFFING AND BUDGET RESOURCES

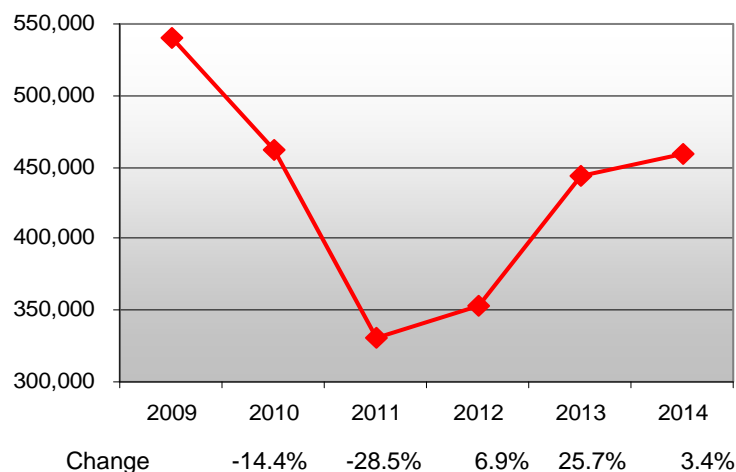
PROPOSED POSITIONS BY FTE – 2.5 TOTAL

- 0.75 Human Resources Director
- 0.75 Human Resources Generalist
- 1.0 Human Resources Analyst

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 214,373	\$ 227,107	\$ 234,689	3.34%
Benefits	96,654	75,556	91,885	21.61%
Professional and Contractual	44,215	63,300	56,800	-10.27%
Materials, Supplies, and Other	12,900	78,347	75,947	-3.06%
Net Expenditures				
Supported by General Revenues	\$ 368,141	\$ 444,310	\$ 459,321	3.38%

BUDGET TREND: FY2009–2014



Notes:

- The decrease in FY2011 is due to the following:
 - Elimination of the part-time HR Assistant position.
 - Reduction in hours of the HR Analyst.
 - Reduction in funding for employee training and tuition assistance.
 - Suspension of the Commuter Incentive Program.
- The increase in Adopted FY2013 is due to the following:
 - Human Resources Analyst position has been restored to full-time.
 - \$50,000 increase in City's Training Program.


RISK MANAGEMENT

The purpose of this section of the Human Resources Division is to develop and monitor the Risk Management Program that includes obtaining, implementing and monitoring all insurances that cover the City's personnel, operations and infrastructure. This section administers the City's Safety Program and administers the Department of Transportation Random Drug Testing program as required by Federal law. This section also provides Federal Occupational Safety and Health Act (OSHA) training for all new and current employees. The OSHA training includes BloodBorne Pathogen, Confined Space Entry, Hazardous Chemicals, and the Department of Transportation Drug and Alcohol Program.

This section also administers the City's Workers' Compensation Program in conjunction with provisions of the State Workers' Compensation Act to ensure prompt reporting of on-the-job accidents, and ensuring that employees who have been injured while on the job receive prompt medical attention and return to work on regular or restricted duty as soon as they receive medical clearance.

This section also handles all property and casualty claims in conjunction with the Virginia Municipal Liability Pool. Claims due to damages caused by water breaks or sewer backups are also administered by the Human Resources Director in his role as the City's Risk Manager.

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH		
GOAL	To maintain a Risk Management Program that protects the assets of the City and provides a safe working environment for employees.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Ensure the City protects its assets and financial exposures through the purchase of insurance, and requiring certificates of insurance for all contractors. 	<ul style="list-style-type: none"> City's financial exposures are reviewed by March each year and the City maintains its insurance. 	
<ul style="list-style-type: none"> To provide employees with a safe working environment. 	<ul style="list-style-type: none"> Outside safety consultant conducted a safety inspection of City facilities and operations. The City is implementing the recommended changes. 	
<ul style="list-style-type: none"> Ensure that the City is in compliance with all OSHA standards and employees receive proper training. 	<ul style="list-style-type: none"> Training for Confined Spaces, Bloodborne Pathogens and Trenching and Shoring will be held each year. Other OSHA training will be conducted as needed. 	

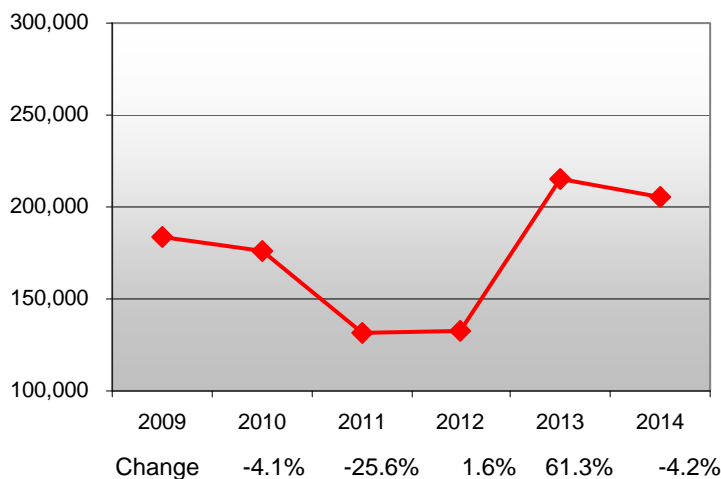
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – .50 TOTAL

- 0.25 Human Resources Director
- 0.25 Human Resources Generalist

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 46,881	\$ 48,101	\$ 49,708	3.34%
Benefits	22,475	15,133	16,671	10.16%
Professional and Contractual	3,768	4,700	3,500	-25.53%
Materials, Supplies, and Other	136,602	146,750	135,739	-7.50%
Net Expenditures				
Supported by General Revenues	\$ 209,727	\$ 214,684	\$ 205,618	-4.22%

BUDGET TREND: FY2009–2014**Notes:**

- Most of the increase in FY2013 is due to the \$75,000 increase to the General Fund for the City's Public Officials Insurance.

INFORMATION TECHNOLOGY

The Information Technology (IT) Division's vision is that all information and information-based services are acquired, monitored, tuned, maintained and kept in the most cost-effective manner possible, consistent with organizational priorities that are aligned with City Council's strategic plan, in order to deliver exceptional services while ensuring data availability, data integrity and data confidentiality.

The IT Division's primary goal is to support the General Government staff and maximize their efficiency in serving the public. The IT Division is responsible for all IT infrastructure, systems, networks, computer technology, telecommunication services (phone/cell/pagers), and audio visual (A/V) for the General Government organization. Core IT services includes support of: Public Safety computer aided dispatch (CAD), records management system, mobile dispatch terminal and field reporting systems, accounting/finance/electronic resource planning (ERP) system, telecommunications systems & software, websites and on-line services, library database systems, fleet management systems, network infrastructure, security hardware & software, IT asset management, general staff desktop hardware & software support, and now radio communications.

The City outsources the majority of its information technology services. Current City IT staffing is: one full-time City Chief Technology Officer (CTO)/Security Officer, one full-time Automation/Application Specialist (shared between the Public Library and General Government functions, 60/40% split respectively), and three full-time contract employees with additional targeted website and systems administration contract hours not to exceed 550 hours per year. The CTO is responsible for procuring and administering all IT services, telephony, radio communications and other technology related service contracts. The CTO serves as the IT security officer, manages strategic IT projects, facilitates employee training, and develops and implements a citywide IT strategic

plan. The IT contractor, acting under the guidance of the CTO, ensures the City's IT environment is secure and critical systems and services are fully operational 24 x 7.

In 2011, the City conducted a full IT Assessment that included General Government, Schools, and Public Library. The assessment outlines priority items and costs with a five year strategic plan, and has guided the development of the FY2014 Budget.

Although the IT budget only grew by 1.3% in FY2014, we funded a new Network Database Administrator. The 2011 IT assessment identified understaffing of the IT function as a "continuity of operations (COOP) risk for the organization. In addition, the City's auditor issued a finding about the lack of segregation of duties in the administration of the City's financial software (Munis). To address both needs the FY14 Budget funds a Network/Database Administrator that will provide the critical COOP knowledge of the City's core infrastructure, mitigate the risk of relying solely on external contractor knowledge to maintain and operate our core infrastructure and critical systems. This position would also resolve the auditor's findings of needing appropriate segregation of duties within the administration of core City and School financial operations within Munis. This position was created without new funding by significantly realigning core infrastructure models and priorities, along with renegotiating specific service contracts. The restructured budget required \$116,000 to properly accommodate this position, which results in a decrease to system refresh cycle funding as well.

The following items were requested but were not funded in the FY2014 budget:



Personnel: General industry standards call for a ratio of IT support personnel to Total Personnel of 6% (Gartner Group 2009 Survey Report). The City's IT Personnel (employees and contractors combined) are 2% of the City work force. Using the Gartner Group Report as a reference, General Government IT staffing should range between 12 - 14 FTEs for the all-encompassing and wide variety of support services required to support the organization. Despite the City's relatively small size, it is an independent city that provides the same full range of IT services of larger entities, without the similar economy of scale, and must be properly staffed to support those operations.

Radio Support: The IT Division was recently charged with providing support services for a citywide unified radio system initiative, and consolidating, updating, and managing the telecommunications for all General Government operations. Radio support was formerly provided by a staff member within the Police Department, which was lost in budget cuts. No additional funding has been made available to the IT Division to support this critical public safety program. A Communications Specialist would manage these tasks with the key focus on public safety operations, and support for Public Works and Public Schools radio needs. This position would require a budget increase of \$94,500.

Equipment refreshes: Currently the City budgets to refresh core infrastructure and servers around every 7 – 10 years, and staff workstations approximately every 5 – 6 years. The recommended refresh cycle should have core infrastructure and servers on an average of a 5 year refresh cycle, and workstations on a 3 – 4 year refresh cycle to keep up with modern software and services needed to operate more effectively to serve the public. The minimum restored funding required to close the gap to an appropriate refresh cycle is an additional \$80,000.

Licensing: An unmet need is sufficient funding for server and virtualization software licensing with appropriate support agreements and regular updates. This is important to ensure ongoing support of core IT systems and mitigate against the risk of large unplanned expenditures when those systems fail. The minimum additional funding required to close this gap would require \$75,000 added to the budget.

CITY VISION

 INNOVATION		
GOAL	IT Infrastructure - Build and upgrade Citywide IT infrastructure to support innovation	
OBJECTIVES	<ul style="list-style-type: none">Create an environment where IT enhances the delivery of governmental services.	KEY PERFORMANCE MEASURES <ul style="list-style-type: none">Strategic Plan is adopted and 20% of 5-year strategic plan actions are funded and implemented annually.Requests for service will be answered within the established priority SLA 95% of the time.Evaluate for existing and new cost effective systems & software solutions to leverage and communicate efficiently to citizen and improve customer service delivery.Breaches of security will be responded to within four hours 100% of the time.
 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH		
GOAL	Government Accessibility - Provide City services in form and function in a manner that is responsive to citizen needs	
OBJECTIVES	<ul style="list-style-type: none">Adopt best practices to ensure a positive external and internal customer experience.	KEY PERFORMANCE MEASURES <ul style="list-style-type: none">IT staff will participate in Northern Virginia and regional CIO meetings to assess best practices and other efficiencies used or being planned by our counterpart jurisdictions.IT policies and procedures will be reviewed and updated as needed and at least annually.Business case model framework adopted.
<ul style="list-style-type: none">Provide simple and intuitive access to public services and information.	<ul style="list-style-type: none">IT will continue to support departmental e-commerce and other online communications and reporting support initiatives, with at least one to be implemented during FY2014.The City will maximize use of the IT Support contract to continue to enhance the City's website and content.The City will standardize the form creation process to help streamline and simplify forms used by the public to request service and conduct business with the City.	

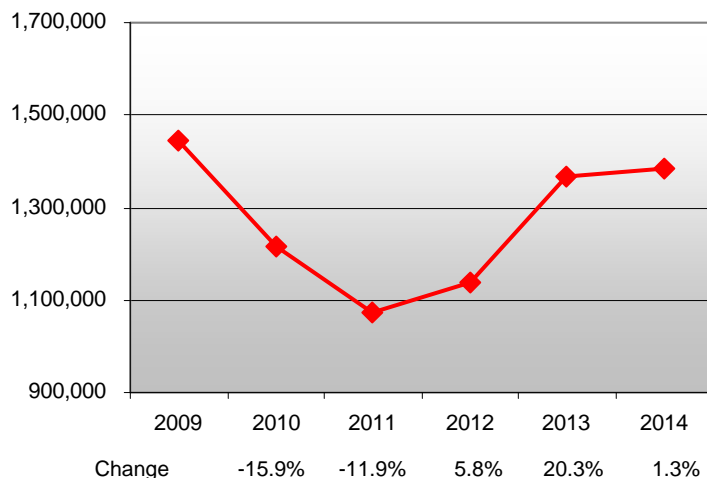
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 2.40 TOTAL

- 1.00 Chief Technology/Security Officer
- 1.00 Network/Database Administrator
- 0.40 Automation/Application Specialist

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 51,914	\$ 134,257	\$ 227,920	69.76%
Benefits	20,653	43,543	49,393	13.43%
Professional and Contractual	696,223	889,790	889,790	0.00%
Materials, Supplies, and Other	51,986	21,453	21,453	0.00%
Capital Outlay	64,690	277,402	195,152	-29.65%
Net Expenditures				
Supported by General Revenues	\$ 885,467	\$ 1,366,445	\$ 1,383,708	1.26%

BUDGET TREND: FY2009–2014**Notes:**

- Expenditures decreased in FY2009 and FY2010 due to network renewal project completion, contracts renegotiation and system enhancement reductions.
- The FY2011 \$122,000 decrease in IT services funding and \$50,000 decrease in computer equipment funding reduces service levels to internal customers and available funding for technology upgrade projects.
- FY2013 reflects .4 FTE for Automation Application Specialist's salary transferred from Library cost center not net new funding.
- Average expenditure adjustments between FY2008 and proposed FY2014 remains at -10.5%.
- FY2014 has remained essentially flat by further restructuring and reducing maintenance contracts, and reprioritizing budgetary initiatives.

ECONOMIC DEVELOPMENT

Economic development is critical to the long-term fiscal health and stability of the City. The mission of the Economic Development Office (EDO) is to provide services, programs and initiatives that retain, attract and expand business activity in the City. Successful economic development will provide employment opportunities, convenient goods and services for residents, and an expanded City tax base. The EDO works with developers to deliver new projects, investment and high quality commercial space that will attract businesses that are a good fit for the City. Staff also works with existing businesses to help them grow and thrive in Falls Church.

Through multiple channels, staff will communicate to the region and beyond why Falls Church is a great place to invest and do business. The Economic Development Authority's "Little City®" branding initiative continues to convey a positive message about the City to business prospects and visitors through marketing materials and special events sponsored by the EDA. Staff supports the EDA Board of Directors and its many activities, including "Developer Forums" that have explored topics such as the hotel and hospitality market, Smart Growth principles, the economics of mixed use development, retail recruitment strategies, measuring the fiscal impact of economic development, the Eden Center, and the Eastern Gateway 2050.

Staff collects, maintains and posts extensive data on commercial properties in the City, demographics, and retail trade area information in an easily accessible format on the City's website. The EDO conducts a campaign of focused business recruitment consistent with knowledge of the Falls Church market and works with brokers and property owners to match business prospects with good locations in the City. Mad Fox Brewing Company is one example of successful EDO match-making. Staff produces a quarterly report on business and real estate activity in the City.


The EDO uses state-of-the-art tools and outside expertise as needed to provide analysis for a variety of business and development-related proposals and projects. The City's fiscal impact model provides net revenue projections for mixed use and commercial development proposals. The model has been updated to reflect the very latest information from across the City organization and public school system on the costs and benefits of new development.

Staff conducts a systematic program of business retention visits in the City where valuable information is obtained about business trends and follow-up services are provided by staff. Several key EDO business development and assistance programs are Technology Zone tax incentives, Industrial Revenue Bond financing, site location services, co-sponsorships of Entrepreneur Express, Franchise Express, and special programming of interest to small businesses. In 2012 the EDO partnered with the Virginia Department of Business Assistance and the Virginia Asian Chamber of Commerce to provide onsite business counseling in the Vietnamese language to Eden Center businesses.

Challenging economic conditions require creative economic development strategies. In 2008, the City approved a unique tax-sharing agreement with a property owner to secure the commitment of BJ's Wholesale Club to build and operate an 87,000 square foot store in the City. The Washington Business Journal ranked this project among the top three largest retail leases by square feet in the entire DC region in 2009. In 2011 the EDO presented for City Council approval a City policy for "Financial Incentives for Commercial Redevelopment" – an initiative influenced by the success of the BJ's project.

With an eye to the future, the EDO and EDA worked in 2009 and 2010 with four graduate level classes of Virginia Tech's Urban Design and Planning Program to complete studio work on the City's Eastern Gateway, the N. Washington Street/W. Jefferson Street commercial corridor, City Center "North," and the West End/Gordon Road area. The students created bold, long range plans for higher density land uses that the City is now using as starting points for small area plans and potential changes to the zoning code. In 2011 the EDO hired a student intern to complete research on property values in commercial opportunity areas throughout the City and projections for the fiscal impact of higher density development in these areas.

CITY VISION

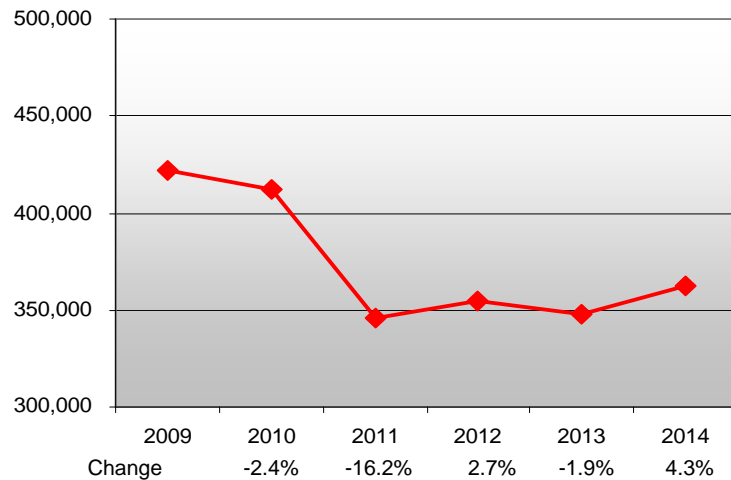
 SUCCESSFUL DEVELOPMENT	
GOAL	Facilitate mixed use development plans and review process that provides new goods and services, enhances revenue, and is compatible with the Comprehensive Plan and community values.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> "The City government works with regional counterparts to share [its] vision and ensure that Falls Church retains its distinctiveness and competitiveness in the region." Support the retention, expansion and attraction of businesses that complement and enhance the community's quality of life, while diversifying and strengthening the City's tax base. 	<ul style="list-style-type: none"> Devise and implement new applications of The Little City brand that can be used to raise positive, regional awareness of the City of Falls Church. Conduct 30 retention visits to Falls Church businesses by June 30, 2014. Continue ongoing contact through June 30, 2014 with 100-150 commercial brokers using email blasts to raise awareness of available office and retail space in the City.

STAFFING AND BUDGET RESOURCES**PROPOSED POSITIONS BY FTE – 2.00 TOTAL**

- 1.00 Economic Development Director
- 1.00 Business Development Manager

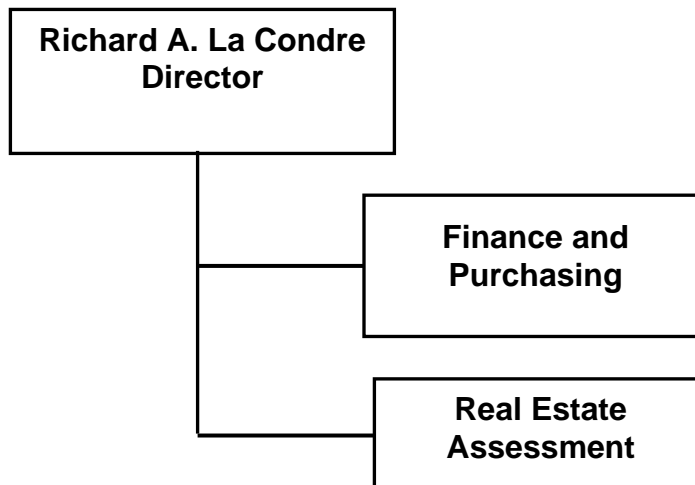
PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 231,173	\$ 234,538	\$ 242,399	3.35%
Benefits	57,696	59,584	66,524	11.65%
Professional and Contractual	23,176	37,000	36,750	-0.68%
Materials, Supplies, and Other	9,794	17,000	17,250	1.47%
Net Expenditures				
Supported by General Revenues	\$ 321,839	\$ 348,122	\$ 362,923	4.25%

BUDGET TREND: FY2009–2014**Note:**

- The decrease in FY2011 is due to the loss of a full-time senior administrative assistant position.


FINANCE



FINANCE AND PURCHASING

The Finance Division serves the residents of the City of Falls Church, its vendors, intergovernmental partners, employees, and all the departments and divisions of the City government. It is responsible for the City's financial reporting and accounting, payment of obligations to vendors and employees, and purchasing of goods and services that require competitive pricing. The Division's functions include reconciliation of all bank and investment accounts, preparation of financial reports for submission to the City Council, the public, the Commonwealth of Virginia, rating agencies, and others, and supporting the City Manager in the development of the City's annual budget. The Chief Financial Officer assists the City Manager and City Council in making strategic decisions concerning the fiscal health of the City, and also facilitates the borrowing of funds that may be needed to fund the City's Capital Improvements Program. The Division pays over 13,000 invoices annually, and pays about 300 employees on a bi-weekly basis. The Division also ensures compliance with taxing authorities for the remittance of payroll and sales taxes. The Purchasing Agent assists in the competitive procurement of more than 55 purchases each year for both the General Government and School Division.

CITY VISION

 SOUND FINANCES		
GOAL	To maintain the fiscal health of the City and provide support to the City's various divisions and departments in order for them to accomplish their own objectives.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Monitor adherence to Council-adopted and state-mandated financial policies and ratios. 	<ul style="list-style-type: none"> Debt and fund balance ratios and policies for General Fund and Utility Funds and all policies as 	

	set forth in the financial policies adopted by City Council on December 11, 2011 (refer to Financial Policies Section on pages 53-54 of this document).
<ul style="list-style-type: none"> Financial reports are timely and accurate. 	<ul style="list-style-type: none"> Prepare the City's Comprehensive Annual Financial Report (CAFR) by November 30, 2013. The City's CAFR will have an unqualified audit opinion. Budget documents are prepared prior to City Council deliberation. Quarterly reports to City Council are done by the second work session after the quarter-end.
<ul style="list-style-type: none"> Reconcile bank and investment accounts on a timely and regular basis. 	<ul style="list-style-type: none"> 100% of bank and investment account reconciliations are completed within 20 business days of the end of the period.
<ul style="list-style-type: none"> Ensure timely and accurate payment of vendors and employees. 	<ul style="list-style-type: none"> 0% error rate in employee payments. Vendors are paid within 10 business days of payment approval 95% of the time.
<ul style="list-style-type: none"> Ensure compliance with procurement rules and regulations. 	<ul style="list-style-type: none"> 100% of purchases of \$50,000 or more are competitively bid or have sole-source justification.

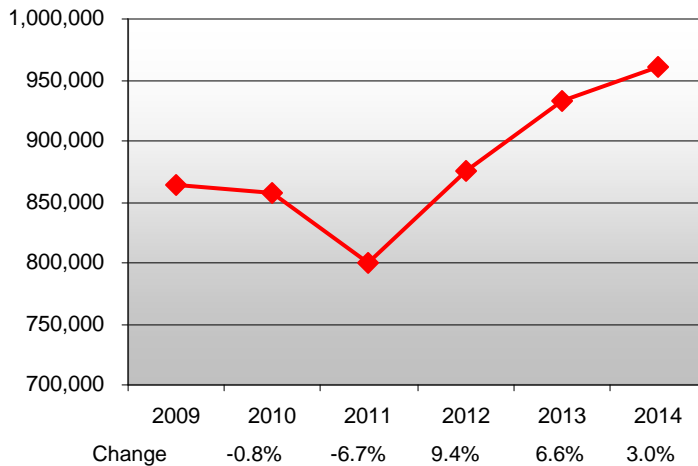
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 7.0 TOTAL

- 1.00 Director/Chief Financial Officer
- 1.00 Deputy Finance Director
- 1.00 Purchasing Agent
- 1.00 Staff Accountant
- 1.00 Payroll Specialist
- 1.00 Benefits Specialist
- 1.00 Accounting Specialist

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 592,640	\$ 630,905	\$ 638,561	1.21%
Benefits	177,141	190,299	209,625	10.16%
Professional and Contractual	73,451	76,600	79,600	3.92%
Materials, Supplies, and Other	19,790	35,457	33,400	-5.80%
Net Expenditures				
Supported by General Revenues	\$ 863,022	\$ 933,261	\$ 961,186	2.99%

BUDGET TREND: FY2009–2014**Note:**

- Increase in FY2009 was mostly due to funding of other post-employment benefits.
- Decrease in FY2011 was mostly due to the reallocation of the CFO's salary as well as reduction in professional service fees.
- Increase in FY2012 was primarily due to the reallocation of the CFO's salary as a result of the reorganization and to the increase in benefit costs.
- Increase in FY2013 reflects the hiring of a temporary part-time accounting position.

REAL ESTATE ASSESSOR'S OFFICE

The primary responsibility of the Real Estate Assessor's Office is the assessment of every parcel located in the City on an annual basis, at market value as required by Virginia Code. The goal is to assess and maintain real property information in the City of Falls Church in a fair and equitable manner to ensure that each taxpayer bears only their fair share of the real property tax burden as determined by the City Council of Falls Church.

This office collects and maintains a history of all land parcels in the City with computerized current information specific to each parcel which includes: ownership, deed and plat references, ownership history, and specific house characteristic information. This information is widely used by realtors, attorneys, title search personnel, prospective homebuyers, sellers, private appraisers (both local and out-of-city/state), and surveyors. Assessment information is available to all users through a web portal maintained by the Assessor's Office. Other services provided by the Assessor's Office include: notification of assessments, responses to inquiries concerning assessments and assessment procedures, hearing administrative appeals, and preparing the Board of Equalization for public appeals. This office produces the annual land book.

Annually, this division reviews approximately 300 real estate listings and sales, adjusts the values of approximately 4,700 parcels as indicated by the market data, inspects 120+ parcels that have been issued a building permit, and 100+ parcels as the result of a sale or an appeal. The division also maintains and periodically updates the real estate database containing approximately 4,700 parcels, provides online real estate information, and serves as staff to the Board of Equalization, which meets approximately 10 times each year.

For FY2014, the Assessor's Office requested but did not get funded, a commercial appraiser position. This position was requested due to increases in the number of parcels in the City, the changes in the state law requiring that sales through the end of the calendar year be considered for the annual reassessment, and the anticipated annexation of land as a result of the sale of the water utility. It is estimated that the cost of the new position would be approximately \$140,000. The Assessor's Office also requested \$5,000 for additional consulting funds to assist the Office in an anticipated upgrade of its assessment software. The upgrade will result in new tables. Import/export downloads between this software and other softwares that rely upon these tables, such as the real estate website and the City's billing software, will need to be reconfigured so as to provide the correct data.

CITY VISION



OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH

GOAL	To provide fair and equitable assessments and outstanding customer service.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Update the City's real estate database and issue assessment valuation notices as of January 1, 2014 for all City properties by April 4, 2014. 	<ul style="list-style-type: none"> Maintain a Coefficient of Dispersion of 10 or less and a median ratio of ± 10 in the Virginia Department of Taxation Residential Sales Ratio Study. Maintain a Coefficient of Dispersion of 15 or less and a median ratio of ± 15 in the Virginia Department of Taxation Commercial Sales Ratio Study. Return phone calls and e-mail inquiries within one day. 	

STAFFING AND BUDGET RESOURCES

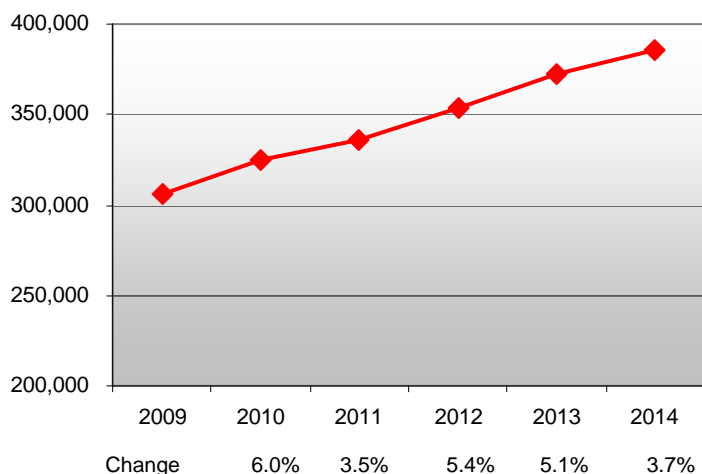
PROPOSED POSITIONS BY FTE – 3.00 TOTAL

- 1.00 Real Estate Assessor
- 1.00 Senior Administrative Assistant
- 1.00 Senior Real Estate Appraiser

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 234,006	\$ 248,403	\$ 258,575	4.09%
Benefits	70,670	77,531	80,555	3.90%
Professional and Contractual	29,650	27,450	28,100	2.37%
Materials, Supplies, and Other	16,921	18,689	18,689	0.00%
Net Expenditures				
Supported by General Revenues	\$ 351,247	\$ 372,073	\$ 385,919	3.72%

BUDGET TREND: FY2009-2014



Note:

- Included in FY2010 and subsequent year's funding is the maintenance for the new real estate website which was implemented on July 7, 2009.

The Office of the Commissioner of the Revenue was established by the Constitution of the State of Virginia in 1851, making the Commissioner an elected "Constitutional Officer." Tom Clinton is a direct elected representative of the citizens of the City of Falls Church and has served since 2002. The Office is responsible for the assessment of taxes on businesses and residents levied by the state of Virginia, and the City of Falls Church and it has been operating the popular Falls Church City DMV Select Office since 2006.

The Commissioner's duties include assessing taxes on many different types of business activities and assets that are located in the City, except the assessment of real estate. These revenue assessments and collections represent a cumulative total of about \$16,000,000, or about 20 percent of all gross revenues received by the City, ensuring that everyone that lives, works or visits here, pays their fair share of taxes. This averages over \$2,300,000 of revenue generation per employee in the small seven person office. Revenue collection is essential to provide the funding for those critical public services that residents and business owners need.

Commissioner Clinton opened the Falls Church City DMV Select Office in March of 2006, bringing the high demand for DMV services directly to Falls Church City residents, business owners and City employees. In FY2013, the DMV Select is expected to conduct more than 26,000 total paid transactions and generate more than \$100,000 in commissions. The service has gotten rave reviews by new and existing customers who have sought an alternative to the crowded full-service DMV offices. 80% of this revenue is supposed to be directly returned to the COR office as written in the Virginia State Code in Transportation Budget Bill 441, which was designed to help Constitutional Officers offset the costs of running the DMV Select Office. The state code and the practice of transferring 80% of the DMV Select commissions to the offices doing the actual DMV work was upheld by the Attorney General's Office in it's Hunley vs. Mathews County opinion on August 19, 2011.

The DMV Select Office is conveniently located in suite #104E in the Commissioner's Office, which is on the first floor of the East Wing of City Hall. The office has assisted many departments and employees within City Hall by providing them with license plates, disabled placards, titles, registrations, renewal stickers, address changes, voter registration applications and driving record transcripts, all without our City and School staff, and/or their clients, having to spend hours at the crowded Tyson's Corner DMV Office. This large additional DMV Select workload has been absorbed by the existing COR staff for 6 years. One additional staff member has been proposed in the FY2014 budget to handle the growing COR and the DMV Select work. The cost is entirely funded by the DMV Select commission earned.

The office annually issues approximately 12,000 personal property tax assessments, which later become personal property (vehicle) tax bills. In July, the office mails out 10,000 Vehicle Verification Forms to all registered vehicle owners. We also process the hundreds of annual address changes related to those vehicles. The office generates all of the vehicle decal bills and decal transfers; tasks that are usually done by the Treasurer's Office in most jurisdictions. The office performs about 2,000 annual personal property assessment adjustments, including vehicle dispositions and other assessment changes, saving taxpayer's money.

Annually, the office issues 1,800 business licenses and processes 1,800 tangible personal property tax assessments on the business equipment used by companies operating in the City. The office processes other business taxes including: utility, right-of-way, phone line charges, hotel occupancy, short-term rental, and the labor-intensive Meals Tax, which generates \$3,000,000 (this was transferred from the Treasurer's Office in 2005, with no workload exchange and no transfer of staff). We assess franchise fees for cable companies and banks.


The office annually processes about 2,500 state income tax refunds, 500 estimated tax payments and 500 tax due payments for City taxpayers on behalf of the Virginia Department of Taxation. State income tax returns are desk audited, and then entered directly into the state's computers resulting in faster refunds. That money is then deposited into our citizen's bank accounts, usually within 2-3 days. The office assists citizens in resolving complex tax problems with the Virginia Department of Taxation by having them call or visit our office which saves them time, aggravation and the long distance phone costs if they had to do it on their own.

The Commissioner also provides critical tax and business related information to many City departments including the Economic Development Office and the EDA, so the City can make well researched and fiscally sound economic development decisions. This important research impacts the office's overtime budget. The Commissioner works closely with the Falls Church Chamber of Commerce and the local business community. The office is able to provide a fluent Spanish speaker for our customers who may need one.

Our goal is simple: to make the assessment and payment of taxes as easy as possible, while still providing the same high-quality, small-town personal service that our businesses and residents have come to expect.

The office is currently using software that is not adequate for the complex assessment and collection needs of a busy tax office resulting in both lost revenue for the city and inefficient use of staff time. The office receives the most mail and walk-in traffic in City Hall and handles large numbers of phone and e-mail inquiries creating an overall workload that is unrealistic and not sustainable.

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH	
GOAL	To deliver the highest level of small-town customer service to the City's residents, businesses and visitors every day, while still paying careful attention to maximize every tax dollar collected and spent.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Assessing personal property (on vehicles), tangible personal property (on business equipment) and business licenses accurately, timely, equitably and consistently. 	<ul style="list-style-type: none"> Register vehicles within two days of receiving the vehicle registration form 90% of the time. Enter and approve business licenses within one day 95% of the time. Enter, process, and transfer checks for various business taxes to the Treasurer's Office for deposit within one day of receipt 97% of the time. Review and audit businesses annually to ensure tax compliance.
<ul style="list-style-type: none"> Objective towards administering state income taxes. 	<ul style="list-style-type: none"> Process Virginia State income tax refunds, tax due payments and estimated taxes within one day of receipt 95% of the time. Resolve complex taxpayer problems with the VA Dept. of Taxation.
<ul style="list-style-type: none"> Objective towards customer service in general. 	<ul style="list-style-type: none"> Provide fast, friendly customer service to every customer every day. Provide a fluent Spanish speaker for our customers. Return all phone calls and e-mails within one day 95% of the time. Answer every phone call live 99% of the time. We do not utilize a voicemail cue to redirect our large volume of phone calls.
<ul style="list-style-type: none"> Objective towards operating a DMV office. 	<ul style="list-style-type: none"> Deliver quick and courteous DMV Select services within 10 minutes 95% of the time.

STAFFING AND BUDGET RESOURCES

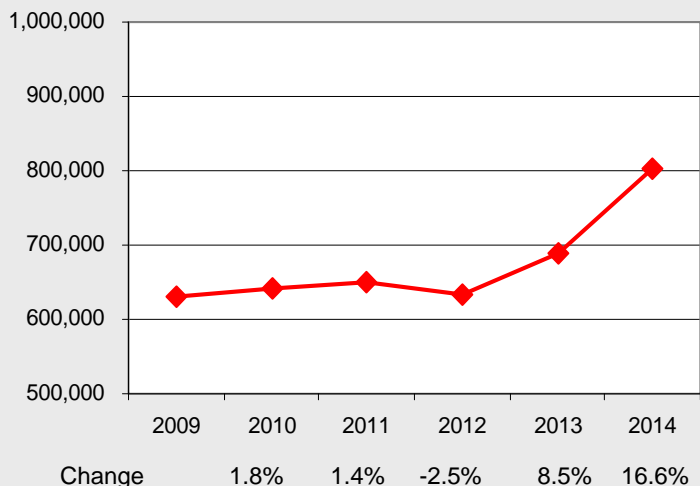
PROPOSED POSITIONS BY FTE – 9.00 TOTAL

- | | |
|--|---|
| <ul style="list-style-type: none"> 1.00 Commissioner of the Revenue 1.00 Chief Deputy Commissioner | <ul style="list-style-type: none"> 1.00 Business Revenue Auditor 6.00 Senior Revenue Assistants |
|--|---|

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 481,400	\$ 496,508	\$ 577,301	16.27%
Benefits	140,192	168,742	200,424	18.78%
Professional and Contractual	4,514	9,100	9,100	0.00%
Materials, Supplies, and Other	15,958	13,875	15,875	14.41%
Total Expenditures	642,065	688,225	802,700	16.63%
Revenues				
State Grants	79,183	87,000	87,000	0.00%
Charges for Services	118,007	70,000	80,000	14.29%
Total Revenues	197,190	157,000	167,000	6.37%
Net Expenditures				
Supported by General Revenues	\$ 444,875	\$ 531,225	\$ 635,700	19.67%

BUDGET TREND: FY2009-2014



Note:

- Commissioner Clinton opened the DMV Select Office in March of 2006; it now processes over 26,000 transactions a year serving numerous internal and external customers. The service has been a big success with City residents, City business owners, City and school employees and visitors. The Select has earned close \$500,000 in total commissions to help balance the City's budget.
- 80% of this revenue by law is supposed to be returned unfettered to the COR office as specifically prescribed by the Virginia State Code in Transportation Budget Bill 441, which was designed to help offset the costs of running the Select Offices. This was upheld by the State Attorney General's Office in its Hunley vs. Mathews County opinion on August 19, 2011.

- We have initiated innovative new programs such as the "Drive-Up and Scrape-Off" decal removal program and the time and money saving "File-By-Exception" personal property (car) tax return filing process.
- We continue to assist the Treasurer's Office with delinquent collections of the Meals Tax, the Tangible Personal Property Tax, the Business License Tax, the Personal Property Tax and the issuance of temporary decals. We have been decal billing for motor vehicles since 2003 due to software limitations; this is usually done in the Treasurer's Office. With the City's large population growth, more residents than ever are coming into the Commissioner's Office for assistance. We have three Notaries and we perform hundreds of notarizations for residents and businesses annually.
- In 2005, we took over the administration of the City's monthly Meals Tax, which is collected from our 130 restaurants and eating establishments. In the first year, this change generated \$140,000 of additional revenue, and it was done with no transfer of staff from the Treasurer's Office. The Meals Tax assessments have grown and it now generates over \$3,000,000 annually for the City. These additional tasks have all been absorbed into the existing office workload, and combined with the growth of the City's residential and business populations, and the need to retain high quality employees capable of handling lots of wide ranging types of financial transactions, it has necessitated the need for an additional employee. The office generates about 20% of all revenue collected by the City.
- More people and businesses are expected to continue to move to the City, adding to the existing very heavy office workload. For most City residents, we are their primary contact with City Hall, and additional resources are needed to help deliver our high quality and wide range of services. The office receives the most mail and the most walk-in traffic, and the second highest number of phone calls in City Hall. The office doesn't have a bank lockbox or an on-line transaction system to reduce its workload.

The Office of the Treasurer is established by the Constitution of the Commonwealth of Virginia, and the Treasurer, Cathy Kaye, a certified Master Governmental Treasurer, and a Certified Public Manager, is an elected Constitutional Officer who serves at the pleasure of the citizens of the City of Falls Church. The City Treasurer's elected status ensures that City funds will be safeguarded by an official who is accountable directly to the City's citizens.

The primary functions of the Treasurer's Office fall into four major categories: billing and collection of Real Estate and Personal Property taxes as well as the collection of State Income and Estimated taxes; receipting and processing all City revenue; safeguarding (investing) City funds; and finally, the disbursement of funds.

Mrs. Kaye works closely with the Director of Finance to ensure the City's operating funds are safely invested in accordance with her established Investment Policy. The goal of the Treasurer's Investment Policy is to limit the City's exposure to risk and to ensure the availability of cash to meet its expenses while still generating revenue from funds that might otherwise remain idle.


In the Treasurer's Office, we process more than 9,000 real estate bills each year, prepare and mail bills to all property owners, and administer an additional billing and payment program for 198 mortgage companies. Our office also bills, collects and processes personal property tax payments for more than 11,000 vehicles, as well as the tangible personal property payments from over 1,700 businesses.

In 2010, Mrs. Kaye moved payment options "into the Cloud". This program has been very successful. The Treasurer's Office is pleased to offer this long-requested, convenient, cost-saving service to City residents. We will be expanding the services to include the payments of water bills, parking tickets, bulk trash/brush removal and permitting in late FY13 and early FY14.

The Treasurer's Office processes and deposits daily all receipts for the Falls Church City Schools Department of Finance as well as the General Government side. Our office provides services to: the Department of Public Works, Mary Riley Styles Public Library, Parks and Recreation Department, The Commissioner of the Revenue, Public Utilities Department, Sheriff's Office, Clerk of the Court, the Falls Church City Police Department, Housing and Human Services, Department of Finance, Court Services, Aurora House, Planning Division, Urban Forestry, Zoning, City Clerk, Economic Development Office, Human Resources as well as Red-Light Camera collections.

In 2011 and 2012, the Falls Church City Treasurer's Office was awarded accreditation by the Treasurer's Association of Virginia. Mrs. Kaye also serves as Secretary of the Treasurer's Association of Virginia.

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH		
GOAL	To ensure the fiscal integrity of all public funds and to provide superior, individualized, customer service to all City residents.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Deliver prompt, efficient, and courteous service. 	<ul style="list-style-type: none"> Return phone calls and e-mail within one day. Print and mail supplemental bills within two days. Post deposits and payments same day received. Issue refunds within 10 days. Process Virginia State income tax refunds and estimated taxes within one day of receipt. Provide information to mortgage lenders within one hour of request during business hours. 	
<ul style="list-style-type: none"> Continue to refine our relationship with the City's banking partners to ensure that the most efficient and advanced products are brought to the City. 	<ul style="list-style-type: none"> Take advantage of newer banking technologies and programs resulting in greater office efficiency and faster access to deposited funds. 	
<ul style="list-style-type: none"> Administer the City's tax relief/deferral programs. 	<ul style="list-style-type: none"> Increase awareness of the City's relief and deferral programs by the City's elderly population. 	

- | | |
|--|--|
| <ul style="list-style-type: none"> Refine the technologies and options used in our collections program. | <ul style="list-style-type: none"> Increase revenue from faster, more efficient collection of all monies due to the City. |
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STAFFING AND BUDGET RESOURCES

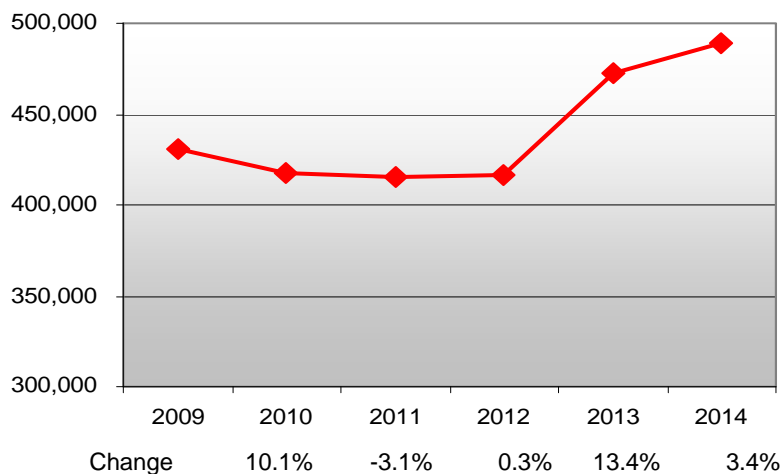
PROPOSED POSITIONS BY FTE – 4.00 TOTAL

- | | |
|---|---|
| <ul style="list-style-type: none"> 1.00 Treasurer (Elected) 1.00 Chief Deputy Treasurer | <ul style="list-style-type: none"> 1.00 Deputy Treasurer 1.00 Treasurer Assistant |
|---|---|

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 299,718	\$ 328,846	\$ 338,694	2.99%
Benefits	72,166	89,514	92,506	3.34%
Professional and Contractual	17,667	25,850	25,350	-1.93%
Materials, Supplies, and Other	23,637	28,469	32,400	13.81%
Total Expenditures	413,188	472,679	488,950	3.44%
Revenues				
State Grants	69,746	69,000	69,000	0.00%
Charges for Services	7,010	8,000	7,000	-12.50%
Total Revenues	76,756	77,000	76,000	-1.30%
Net Expenditures				
Supported by General Revenues	\$ 336,432	\$ 395,679	\$ 412,950	4.36%

BUDGET TREND: FY2009-2014



PROPERTY TAX RELIEF PROGRAM

The City sponsors Real Estate Tax, Personal Property Tax, and Automobile Decal Fee Relief programs for residents who are age 65 years or older or who are permanently disabled. The goal of these programs, which target residents who have incomes less than 50 percent of the area median, is to help participants remain in their homes and/or maximize their available income. In 2011, the State of Virginia passed an Amendment to its Constitution allowing any 100% disabled Veteran, 100% Real Estate Tax Relief. In 2012, this cost to the City was \$33,175.12.

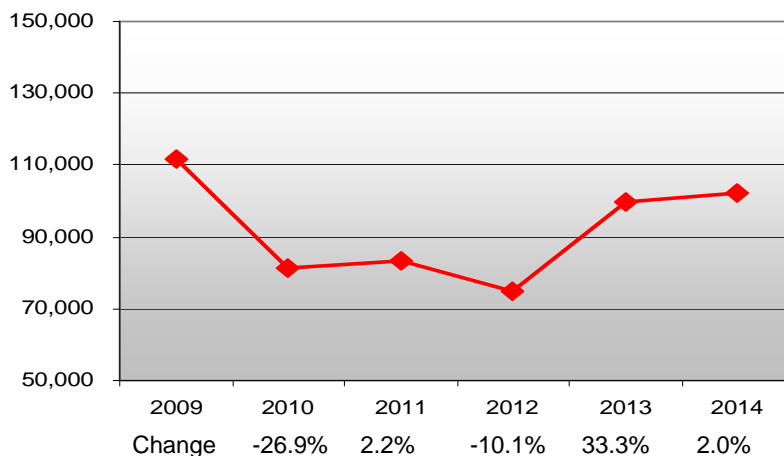
The Tax Relief program is administered by the Treasurer; however, Rent Relief is administered by the Department of Housing and Human Services. In 2012, the Treasurer's Office received and processed 54 completed Applications, and granted Tax Relief and/or Deferral to 51 individuals. In 2012, the cost for traditional Tax Relief was \$66,619.80; adding in the cost for the new Veteran's Relief Program, \$33,175.12; the total cost of Relief in 2012 was \$99,794.92.

Program	Benefit
Real Estate Tax Relief	Real Estate Tax relief through exemption and deferrals to offset the burden of tax increases and enable participants to remain in their homes.
Personal Property/Auto Decal Relief	Exempts eligible residents from the \$33 sticker fee and also exempts \$25 of personal property taxes to help offset the burden of transportation costs for very low income households, many of whom rely on disability or social security.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Property Tax Relief	\$ -	\$ 100,000	\$ 102,000	2.00%
Net Expenditures				
Supported by General Revenues	\$ -	\$ 100,000	\$ 102,000	2.00%

PROPOSED BUDGET TREND: FY2009-2014



The Office of Voter Registration and the Electoral Board work together to conduct elections in the City in accordance with the Constitution and Code of the Commonwealth of Virginia. Duties include maintaining an accurate list of registered voters, processing and validating candidate filings, establishing polling places staffed by trained election officials, offering convenient and reliable absentee voting, holding elections, and certifying election results.

The FY2014 budget includes enough funds for two elections. In FY2014, there will be a General Election on November 5th, 2013 and a primary election on June 10th, 2014. Most election expenses are incurred without regard to the size of the election. However, FY2014 will include the recently moved municipal elections that are now combined with the state wide and constitutional races usually on the November ballot. Therefore, this ballot will be longer than usual and may have higher turnout than the City is used to during a non-Presidential election.

Funding for personnel working in the Office of Voter Registration and the Electoral Board comes from a variety of state and local sources. The General Registrar is appointed by the Electoral Board for a four-year term. The Registrar receives a full time salary, which is paid by the City and partially reimbursed by the Commonwealth. All benefits are City benefits. The one half-time Deputy Registrar and three part-time Assistant Registrars are regular City employees; however, only the one half-time Assistant Registrar receives benefits.

The three-member Electoral Board is appointed by the Circuit Court, based on recommendations made by the local political party chairs. Two members of the Board represent the political party of the current governor, while the third member represents the party that had the second highest number of votes statewide in the last gubernatorial election. The Electoral Board members serve staggered three-year terms. Electoral Board remuneration is a stipend paid by the City and reimbursed by the Commonwealth.


In 2011, a referendum to move the municipal election from May to November passed. FY2014 will be the first year that it will be implemented. This budget includes funding for two elections rather than the three which we normally would have. An election costs between \$19,000 and \$25,000. There is no big impact in our budget between FY2013 and FY2014 because we also had only two elections in FY2013.

In FY2014, we increased our training budget by \$5,400. State and federal election laws have changed significantly over the last few years, resulting in increased training requirements for staff and election board.

We requested but did not get funded the following items for FY2014:

- \$6,000 to purchase three voting machines (one for each poll) to begin the replacement process of all voting machines. The voting machines we currently use are in their eight year of a ten year useful life.
- \$3,000 to replace our laptop that we use specifically for the election.
- \$4,000 to install custom shelving in our offices. This will help increase staff efficiency and office coverage. Currently, our files are kept in an off-site storage, so staff has to leave the office to retrieve files.

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH		
GOAL	To provide each qualified citizen with the opportunity to register and vote in an efficient and equitable manner while guarding the integrity of elections held in Falls Church by implementing and enforcing election laws established in the Constitution and Code of the Commonwealth of Virginia.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> • Maintain an accurate list of registered voters. 	<ul style="list-style-type: none"> • Process information in the VERIS hopper daily. • Process applications and change forms within three days of receipt. 	

	<ul style="list-style-type: none"> Print the E&V report daily and check against the previous day's work.
<ul style="list-style-type: none"> Reduce voter wait time by providing short lines at the polls. 	<ul style="list-style-type: none"> Keep lines moving efficiently by requiring that each officer of election attend a training class. Promote absentee voting by advertising its availability in the e-FOCUS and by advising callers and email correspondents of its availability. Educate voters in advance about what they will find on the ballot by publishing a sample ballot on the City web page.
<ul style="list-style-type: none"> Increase voter familiarity with voting equipment. 	<ul style="list-style-type: none"> Have eSlate demonstration and instruction fliers available on front office counter at all times. Coordinate with League of Women Voters, party chairs, and other city groups to provide eSlate demonstrations at City functions (Fall Festival, Memorial Day) at least twice per year. Offer information about using the equipment on the City web page.
<ul style="list-style-type: none"> Adequately train office for continued successful elections and registration. 	<ul style="list-style-type: none"> Attain CERA Certification, a national accreditation. Attain VREO Certification, a statewide accreditation. Attend SBE annual training. Attend VRAV, VEBA, and JEOLC annual meetings.

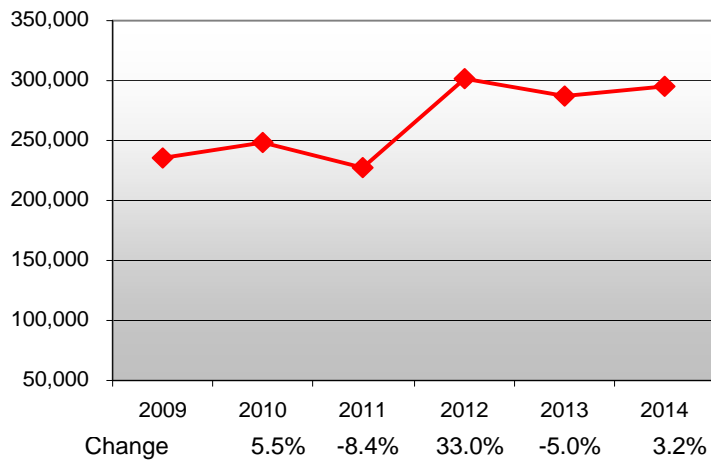
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 1.50 TOTAL

- 1.00 Registrar
- 0.50 Assistant Registrar

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 157,164	\$ 173,192	\$ 171,492	-0.98%
Benefits	49,279	51,947	56,704	9.16%
Professional and Contractual	16,914	34,150	32,667	-4.34%
Materials, Supplies, and Other	28,103	27,400	35,000	27.74%
Total Expenditures	251,459	286,689	295,863	3.20%
Revenues				
State Grants	50,417	51,305	50,000	-2.54%
Fines	100	-	-	0.00%
Total Revenues	50,517	51,305	50,000	-2.54%
Net Expenditures				
Supported by General Revenues	\$ 200,942	\$ 235,384	\$ 245,863	4.45%

BUDGET TREND: FY2009–2014**Note:**

- The increase in FY2010 included funding for 1 additional election (City Council election in May 2010).
- The decrease in FY2011 is mainly due to 1 less election being held that year and reclassification of 0.5 permanent employee to temporary status.
- The increase in FY2012 is primarily due to 3 more elections to be held that year than was held in FY2011.
- The decrease in FY2013 is primarily due to 3 less elections to be held during this year than was held in FY2012.

The Falls Church City Sheriff's Office is a constitutional office responsible, in accordance with the Code of Virginia, for courtroom security (General District and Juvenile and Domestic Relations Courts), prisoner transportation, civil and criminal service of process, conducting eviction and Sheriff's sales, maintaining peace and order, upholding the laws of the Commonwealth and protecting civil rights within the jurisdiction of the City of Falls Church. Starting with FY2014, the Sheriff's Office is taking over the monitoring of the Adult Corrections Services for the City.

The Sheriff's Office as the executive officer of the Courts is responsible for the security and other functions of the Falls Church General District Court and the Juvenile and Domestic Relations Court. The Sheriff's Office maintains facility and court security for 49 General District Court and 27 Juvenile and Domestic Relations court days as well as other specially set court days. In addition, this Office transports approximately 300 prisoners to and from correctional facilities for the Courts. In 2012, the Sheriff's Office monitored approximately 39 individuals who were ordered by the courts to provide community service in lieu of traditional sentencing. This Office also processes approximately 3,200 court papers and handles approximately 30 writs of possession (evictions) annually.

As part of its requirement to maintain peace and order, the Sheriff's Office assists the Falls Church Police Department with traffic enforcement and control, walking patrols, crowd and traffic control at major events, and participating in regional law enforcement programs. As a result of these actions, the Sheriff's Office issued 568 traffic citations, approximately 100 warnings, and approximately 50 parking tickets. In addition, the Sheriff's Office made approximately 20 arrests in 2012. The Sheriff's Office also provides funeral escorts as needed through the City. The Sheriff's Office receives grants to conduct traffic enforcement and educational programs.

The Sheriff's Office also provides a community outreach effort as part of its requirement to maintain peace and order. The Sheriff's Office fingerprints approximately 1,000 persons annually, including city residents, children and non-residents. The Sheriff's Office also provides education to parents, guardians, caregivers, and/or anyone transporting children and checks for proper installation of approximately 300 child safety seats annually.

The Sheriff's Office also hosts the following programs for the residents of the City of Falls Church:

Community Service Program:

In December 2005, the Sheriff's Office created the Falls Church Community Service Program. This diversion program provides an alternative sentencing option for the Courts for persons sentenced by the court. In 2012, 39 people were diverted from jail and assigned to the Program. These people completed a total of approximately 1,691 hours which included volunteering at local churches and at Sunrise Assisted Living facility, cleaning City vehicles, cleaning the courtroom and various areas of City Hall and picking up trash from the grounds of City Hall, the Community Center and Cherry Hill Park.

Special Programs:

Explosive Detection Canine Unit – The K-9 Unit was created in 2008 as a proactive measure to provide antiterrorist support to the citizens of the City of Falls Church. The primary mission of the K-9 Unit is to provide specialized support to the Falls Church Sheriff's Office and mutual aid and inter-agency partners in the area of explosive detection and to serve as a hedge against terrorist and criminal use of explosives. The K-9 Unit regularly sweeps the Falls Church Courtroom and surrounding areas for explosive devices and is present at major City events and activities. The K-9 Unit is completely funded through outside contributions by corporate and individual donors, at no cost to City taxpayers.

Operation Safe Halloween – Since 1990, the Sheriff's Office has conducted this program to promote safety and responsible citizenship with the youth of the City of Falls Church participating in Halloween. Deputies patrol the City and distribute small treat bags to trick-or-treaters. The treat bags are prepared and donated by the deputies at no cost to the City of Falls Church.

Santa Rides – The Sheriff's Office helps collect and distribute toys for area needy and underprivileged families. The Sheriff's Office's Motor Squad participates in the Santa Ride for Children along with motor officers from Fairfax County Police, Fairfax County Sheriff's Office, Fairfax City Police, State Police, and Vienna Police to provide escort services for Santa to visit area elementary schools in the middle of

December. The Sheriff's Motor Squad also participates in the NOVA Fraternal Order of Police Santa Ride with motor officers from Arlington County Police. The toys are donated by deputies as well as area residents at no cost to the City of Falls Church.

Anti-Terrorism Task Force – The Sheriff's Office works with state, federal, and local law enforcement agencies to keep abreast of events and share information. The Sheriff's Office is also part of the Stockpile Service Advance Group (SSAG) Force Protection Team.

Ident-A-Child – The Sheriff's Office provides a free service for residents whereby deputies create a booklet containing a photo I.D. and fingerprints of the child. The booklet contains a physical description of the child, which includes information such as height/weight/hair color/eye color – vital information for parents to have available that could assist authorities in search for their lost child.


Firearm Safety Program – In November, the Sheriff's Office began a free, non-shooting firearm safety course to teach the basic knowledge, skills, and attitude necessary for the safe handling and storage of firearms and ammunition in the home. The course increases firearm safety and awareness, educates the public on related laws, and assisted those considering firearms for personal protection and home defense.

Cell Phone Collection Program – The Sheriff's Office provides a secure call cell phone program in which persons who wish to turn in their old cell phones can turn them in to be reprogrammed to allow those without phone service to dial 911 in the case of an emergency. The phones are given to domestic violence victims, senior citizens, and/or other persons without phone access in the case of emergencies. This is provided at no cost to the City of Falls Church.

In FY2014, the Sheriff requested but did not get funded the following items:

- \$25,000 for temporary deputies who provide courtroom security and prisoner transportation. These positions are needed to meet the requirements of the National Court Security Association standards for all of our 74 court days and training days.
- \$2,000 to cover the costs of batteries and accessories for our emergency communication radios needed to meet the demands of public safety and inter-agency support.

CITY VISION

 NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE	
GOAL	The Sheriff's Office is committed to diligently and fairly providing the most effective and safe delivery of services in the areas of court security, transportation of individuals to and from detention centers, timely service of civil process, execution of lawful orders of the court, law enforcement, and community relations programs that are beneficial to the community by interacting with citizens, court personnel, city officials, and other law enforcement agencies.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> • Provide heightened court security on court days to ensure safe and orderly operation of the court. 	<ul style="list-style-type: none"> • Follow guidelines set by the National Court Security Association. • Provide explosive detection sweeps.
<ul style="list-style-type: none"> • Provide prisoner and suspect transportation to and from correctional facilities. 	<ul style="list-style-type: none"> • Safe and consistent transportation.
<ul style="list-style-type: none"> • Serve all court papers in a timely manner. 	<ul style="list-style-type: none"> • 95% of court papers received are served the same day.
<ul style="list-style-type: none"> • Provide alternative sentencing monitoring. 	<ul style="list-style-type: none"> • Provide accurate documentation and verification of community service reports to courts.
<ul style="list-style-type: none"> • Increase visibility in residential areas and reduce traffic violations. 	<ul style="list-style-type: none"> • Issue approximately 500 moving motor vehicle violations, issue warnings and make 25

	physical arrests.
• Increase visibility around schools.	• Issue 50 parking tickets.
• Enhance current community oriented safety programs to reflect our diverse community.	• Provide marked vehicles around schools before and after school as a safety deterrent.
• Assist in Tax Enforcement/Collection.	• Provide instruction to caregivers on correct installation of child safety seats.
	• Firearms Safety in Home Course.
	• Provide motorcycle safety instruction.
	• Ident-A-Child program at Fall Festival.
	• Increase in percentage of unpaid taxes collected by the City Treasurer's Office.

STAFFING AND BUDGET RESOURCES

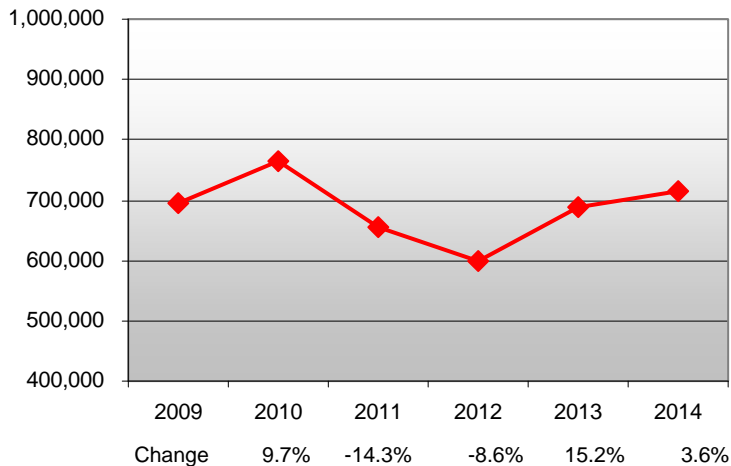
PROPOSED POSITIONS BY FTE – 5.875 TOTAL

- 1.00 Sheriff (Elected)
- 3.00 Deputy Sheriffs (2 Full and 2 Part-time)
- 1.00 Chief Deputy Sheriff
- 0.875 Administrative Assistant

The Sheriff's Office also has one part-time sergeant, two part-time deputy sheriffs, and seventeen volunteer reserve deputy sheriffs who assist the office on a part-time and temporary basis. The savings to the City by utilizing volunteer services is approximately \$88,000.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 415,382	\$ 446,901	\$ 462,184	3.42%
Benefits	124,258	170,609	181,004	6.09%
Professional and Contractual	15,580	12,600	12,600	0.00%
Materials, Supplies, and Other	59,258	59,368	58,217	-1.94%
Capital Outlay	2,214	-	-	0.00%
Total Expenditures	616,693	689,478	714,005	3.56%
Revenues				
Federal Grants	248	-	-	0.00%
State Grants	136,923	132,000	137,000	3.79%
Charges for Services	82,199	96,492	82,292	-14.72%
Fines	67,531	84,402	58,121	-31.14%
Total Revenues	286,900	312,894	277,413	-11.34%
Net Expenditures				
Supported by General Revenues	\$ 329,793	\$ 376,584	\$ 436,592	15.93%

BUDGET TREND: FY2009-2014**Note:**

- In FY2010, the Sheriff's Office replaced two vehicles.
- FY2012 reductions included the reduction of hours of a deputy sheriff from full-time to 0.5 part-time position.
- In FY2013, the Sheriff's Office added a full-time deputy sheriff position to address prisoner transportation and booking requirements.

ADULT CORRECTION SERVICES

In addition, the Adult Detention Center (ADC) houses prisoners for the City and provides outreach services with Offender Aid and Restoration Services (OAR), a private, nonprofit organization offering community-managed programs aimed at restoring offenders in Arlington, Falls Church and Alexandria. Through alternative sentencing options, OAR assists in reducing the overcrowding of the local adult and juvenile detention facilities. Community Services Program (CSP) staff members interview, place and often directly supervise referrals from all Court levels, as well as adult and juvenile probation offices. Each year, approximately 1,100 individuals provide at least 34,000 hours of community service, sometimes continuing to volunteer or receive employment with their work sites. Jail based programs include life skills, 12 step groups, mentoring, tutoring and employment classes. After release, the Employment and Transition Services (ETS) staff work with clients on transitional and employment issues, as well as make referrals for substance abuse, mental and physical health and other needed treatment.

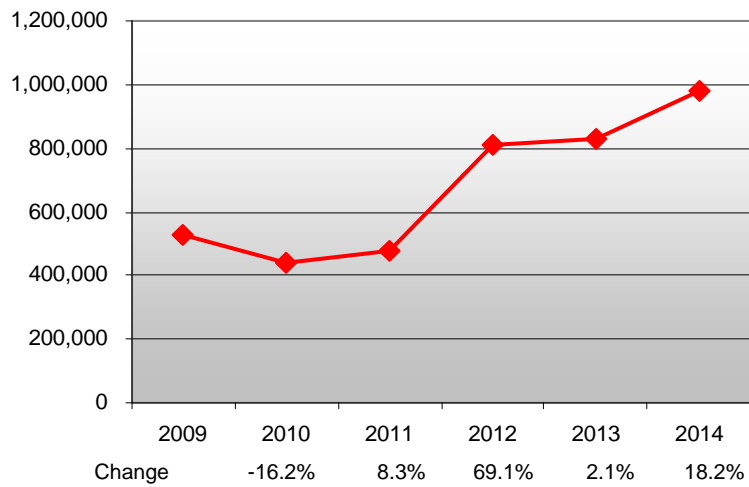
STAFFING AND BUDGET RESOURCES**ADOPTED POSITIONS BY FTE – 0.00 TOTAL**

- Contract with Arlington County for Adult Detention Services (ADC)

ADOPTED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	\$ 810,312	\$ 827,083	\$ 977,428	18.18%
Net Expenditures				
Supported by General Revenues	\$ 810,312	\$ 827,083	\$ 977,428	18.18%

ADOPTED BUDGET TREND: FY2009 – 2014



Note:

- Cost decreases and increases in this cost center are driven by the number of individuals held in the Adult Detention Center.

The Commonwealth of Virginia provides district courts for the City of Falls Church. It is a state agency, which is part of the Seventeenth Judicial District. The Juvenile and Domestic Relations section has exclusive jurisdiction over offenses where complainant and defendant are related or are household members, and delinquency cases, including foster care and abuse cases. The General District Court has jurisdiction over all misdemeanor cases (City and State Codes), traffic cases, and non-compliance matters with agencies such as the Alcohol Safety Action Program (ASAP). The Civil Division of the General District Court hears civil cases of limited jurisdiction (\$25,000 or less) and includes a Small Claims Division for self-represented litigants (\$5,000 or less). Mediation services are available for those cases, which occur within the corporate limits of the City of Falls Church.

The District Court Clerk's Office is the administrative arm of the court. The Clerk is the chief administrative officer and is accountable to the presiding Chief Judges of the General District and Juvenile and Domestic Relations courts for all office functions. The Clerk is responsible for the organization, managing the flow of cases through the court and, ensuring that the policies of the court are followed. Further, the Clerk is responsible for the accounting of all funds handled by the court and the proper distribution thereof. Court personnel are all state employees.

While District Court employees serve the City of Falls Church and their citizens, they are employees of the state and are paid by the state at a level that is set by the legislature. Realizing that the salary set by the state may be lower than what is required to recruit and retain staff, the legislature enacted Virginia Code §16.1-69.45 and §16.1-69.46 in 2008 to allow localities to supplement the salary of district court employees.

Currently, the City provides a funding of \$29,000 to cover office expenses such as materials and supplies. For FY2014, we requested from the City Manager a salary supplement equal to 20% of our current salary at a cost of \$32,500 in order to make the positions be more competitive to others around the region. Circuit Court employees, for instance, are paid at a higher rate.

This proposed budget for FY2014 includes a salary supplement of 15% or \$24,400 and a reduction in our office expense of \$5,000 for a net increase of \$19,600. We request that the City Council provide the supplement of 20% and restore our office expense budget to current levels.

Current Year Accomplishments

The clerk's office has made available several information pamphlets, forms, and resources in an effort to assist the public in understanding the court system. Several new computer programs were updated to assist the staff in more proficient and timely customer service. The staff, working together with the Sheriff's Office staff, has improved communication and security issues during court sessions.

Historical Data

	2005	2006	2007	2008	2009	2010	2011	2012
Traffic	9,321	6,231	5,890	10,162	10,338	10,417	10,243	7,027
Criminal	1,132	1,144	879	1,053	1,141	1,010	1,149	1,165
Civil	973	906	876	843	905	958	846	622
Juvenile	480	574	408	305	466	474	484	310
Domestic	221	217	126	102	117	109	156	143
Total Case Load	12,127	9,072	8,179	12,465	12,967	12,968	12,878	9,267

STAFFING AND BUDGET RESOURCES

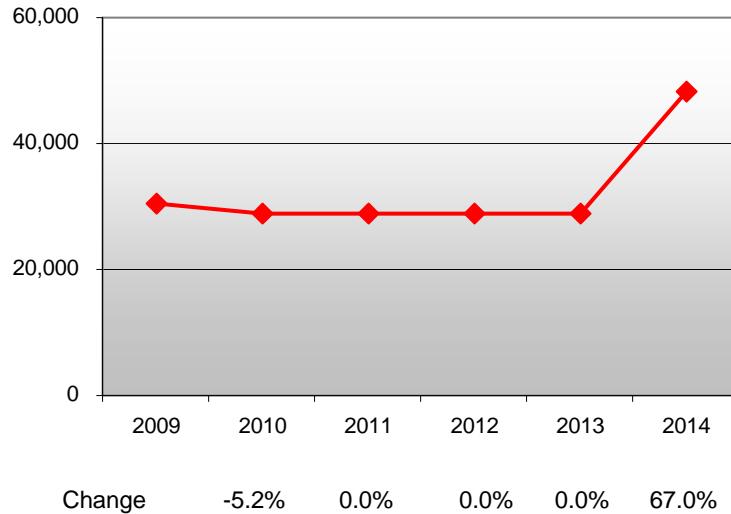
PROPOSED POSITIONS BY FTE – 0.00 TOTAL

The courts have the following employees which are paid by The Supreme Court of Virginia:

- 3.00 General District Court Judges (rotating each month every Wednesday)
- 2.00 Juvenile & Domestic Relations Judges (rotating each month 2nd & 4th Tuesdays)
- 1.00 Clerk of the Court
- 1.00 Deputy Clerk
- 1.00 Account/Deputy Clerk
- 0.50 Part-time Typist/Deputy Clerk

PROPOSED BUDGET

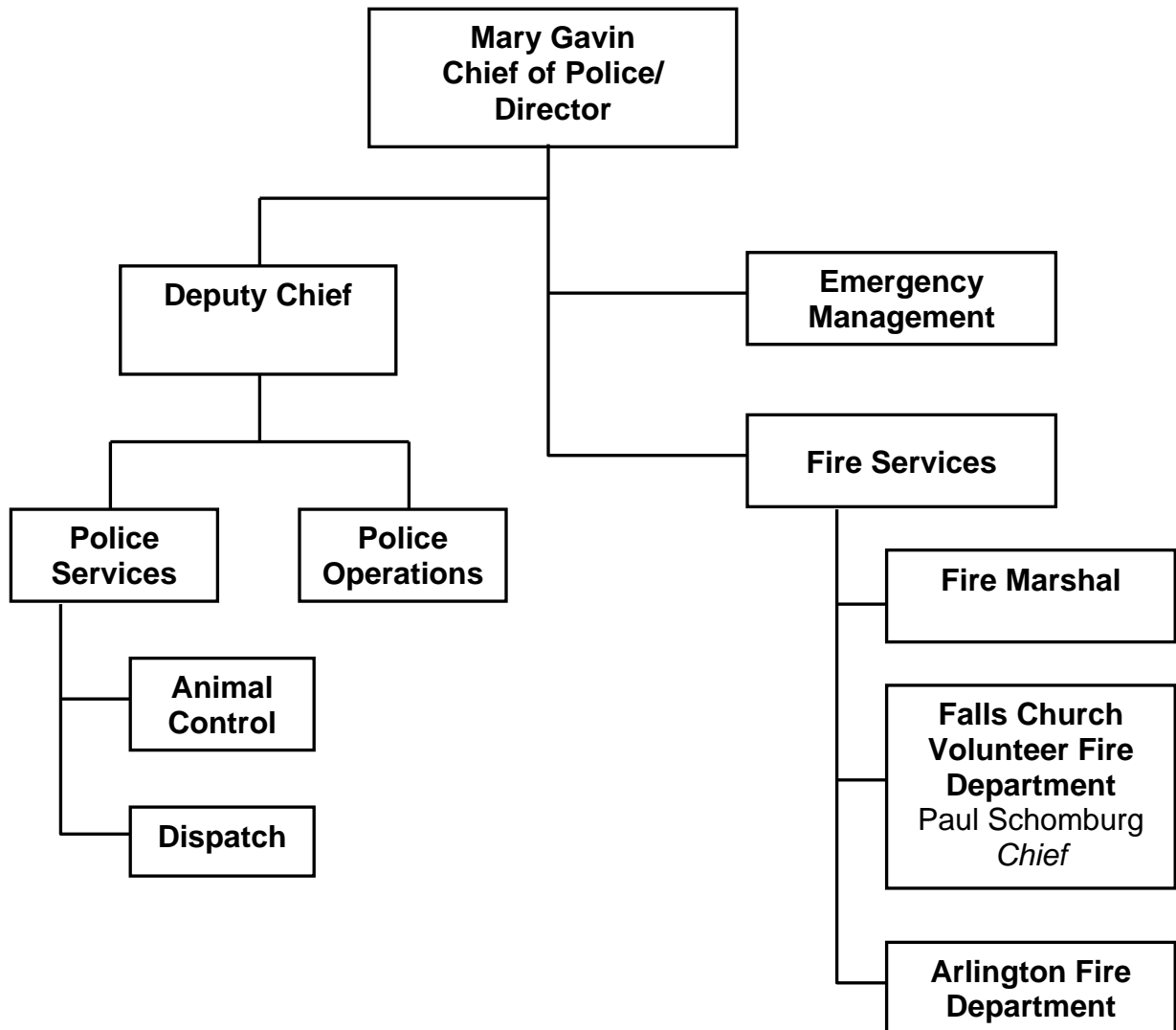
	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ -	\$ -	\$ 22,641	-
Benefits	-	-	1,733	-
Professional and Contractual	12,310	15,600	15,600	0.00%
Materials, Supplies, and Other	5,819	13,331	8,331	-37.51%
Net Expenditures				
Supported by General Revenues	\$ 18,129	\$ 28,931	\$ 48,305	66.97%

BUDGET TREND: FY2009-2014**Note:**

- A salary supplement equal to 15% of current salary is included in the FY2014 budget.

DEPARTMENT OF PUBLIC SAFETY

ORGANIZATIONAL CHART




POLICE DEPARTMENT
ADMINISTRATION**POLICE DEPARTMENT ADMINISTRATION**

The Chief of Police reports directly to the City Manager and is responsible for managing the Police Department, serving as liaison to the Arlington County and Falls Church Volunteer Fire Departments, and as Assistant Coordinator of Emergency Management. All correspondence, purchasing, budget, grants and other administrative duties are performed by the office.

Annually, the Chief manages public safety activity for the City and prepares, submits and monitors the City's public safety budget. Serving as Director of Public Safety, the Chief maintains liaison with other Public Safety Services including the Falls Church Sheriff's Office, the Arlington County Corrections Department, the Arlington County Fire Department, and the Falls Church Volunteer Fire Department, and maintains liaison with other regional, local and federal law enforcement agencies including attending Council of Governments, Homeland Security, and Police Academy meetings.

CITY VISION

 NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE	
GOAL	The Police Department will maintain a high degree of proficiency in our daily operations that meets the professional standards set by the Virginia Law Enforcement Professional Standards Commission. Adherence to these standards will enhance the Department's ability to fulfill its Public Safety responsibilities as outlined in the City's Comprehensive Plan.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Successfully complete the Reaccreditation Program. 	<ul style="list-style-type: none"> Keep all employees briefed on the continuing need for proofs of compliance with Accreditation standards. Attend planning meetings, advise staff on policy recommendations, and collect proof documentation.
<ul style="list-style-type: none"> Perform a complete self assessment for updates within FY2014. 	<ul style="list-style-type: none"> Create and complete assessment materials for inspection for reaccreditation.
<ul style="list-style-type: none"> Attend the VLEPSC Accreditation Conference and update meetings throughout the year. 	<ul style="list-style-type: none"> Utilize conference materials to update files, officers and staff.

STAFFING AND BUDGET RESOURCES**PROPOSED POSITIONS BY FTE – 2.50 TOTAL**

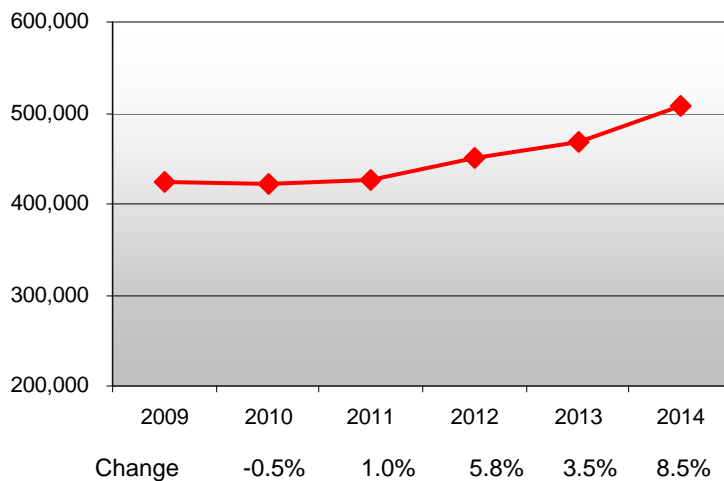
- 1.00 Chief of Police
- 0.50 Administrative Sergeant
- 1.00 Senior Administrative Assistant

POLICE DEPARTMENT
ADMINISTRATION

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 244,629	\$ 243,662	\$ 249,825	2.53%
Benefits	93,183	102,149	110,750	8.42%
Professional and Contractual	7,470	7,800	7,800	0.00%
Materials, Supplies, and Other	129,309	113,650	138,650	22.00%
Total Expenditures	474,590	467,261	507,025	8.51%
Revenues				
Licenses, Fees, and Permits	8,245	4,265	8,300	94.61%
Federal Grants	13,120	-	-	0.00%
Other Grants and Contributions	70	-	-	0.00%
Total Revenues	21,435	4,265	8,300	94.61%
Net Expenditures				
Supported by General Revenues	\$ 453,155	\$ 462,996	\$ 498,725	7.72%

BUDGET TREND: FY2009 – 2014


**Note:**

- Beginning in FY2010, a portion of the salary of a sergeant is included in the budget to administer the accreditation program.

PHOTO ENFORCEMENT PROGRAM

During FY2013, the Falls Church City Public School system started a Public Safety program aimed at enforcing the laws regarding motorists passing school buses while loading. While this is a school program, the majority of the enforcement and administration of the program will be the responsibility of the Police Department. For FY2014, the Police Department will explore the feasibility of adding two more intersections for Red Light Enforcement. This enhancement is not currently included in the proposed FY2014 budget. Additionally, the Police Department will continue to monitor and evaluate the Red Light (Intersection Safety) Program to ensure that the incidence of serious accidents at target intersections is successfully minimized.

CITY VISION

 NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE	
GOAL	Improve traffic safety through implementation of Photo Enforcement Program.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Monitor and evaluate the Photo Enforcement Program to ensure continued improvement in traffic safety. Assist the Falls Church City Public Schools implement a school bus stop arm program. Monitor and evaluate the new program to ensure improvement in traffic safety. 	<ul style="list-style-type: none"> Maintain or reduce incidence of serious traffic collisions at target intersections.

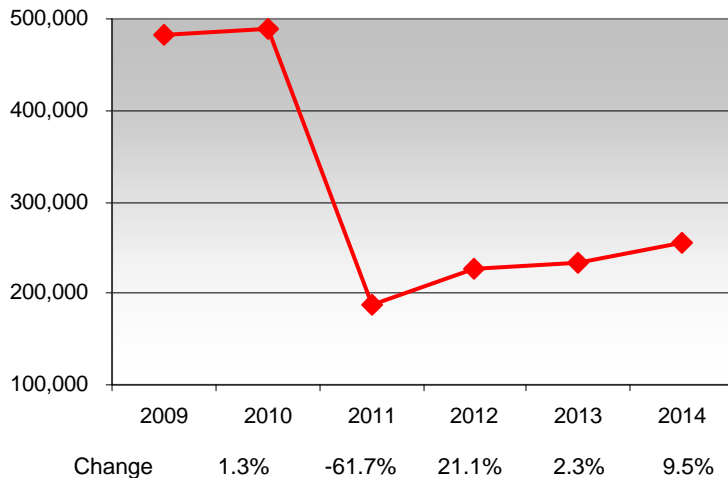
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 0.75 TOTAL

- 0.50 Administrative Sergeant
- 0.25 Officer

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 46,666	\$ 45,385	\$ 60,290	32.84%
Benefits	14,927	16,619	23,830	43.39%
Professional and Contractual	-	-	-	0.00%
Materials, Supplies, and Other	152,211	170,400	170,400	0.00%
Total Expenditures	213,804	232,404	254,520	9.52%
Revenues				
Fines	206,385	204,000	204,000	0.00%
Total Revenues	206,385	204,000	204,000	0.00%
Net Expenditures				
Supported by General Revenues	\$ 7,419	\$ 28,404	\$ 50,520	77.86%

BUDGET TREND: FY2009 – 2014**Note:**

- The program has been fully implemented and has shown to have a positive effect on the overall averages of accidents at the participating intersections.
- In FY2014 School Bus Stop Arm enforcement will begin and should have the same positive impact on traffic safety at our bus stops.
- With the addition of the Stop Arm program 25% of the Community Resource Officer's time will be allocated to this program for reviews of violations.

POLICE DEPARTMENT – OPERATIONS

The uniformed Operations Patrol Division is the most visible of the Police Department, as they are responsible for providing and supervising the officers that patrol the City 24 hours a day, 7 days a week providing basic police services. In addition to the patrol officers, one Traffic Unit officer is assigned to work various shifts and days of the week to address the numerous traffic concerns in the City. The patrol officers provide proactive patrol and respond to complaints from citizens, investigate motor vehicle accidents and perform traffic enforcement duties.

In calendar year 2012, this Division responded to over 24,000 calls for service that did not require a written report and almost 2,266 complaints that did require a written report. The patrol and traffic effort of the Division produced approximately 4,600 tickets for traffic violations, made approximately 1,200 arrests, responded to and investigated approximately 181 accidents, 661 alarms and issued over 1,000 tickets for parking violations. In addition, the Division provides security, public assistance and crowd control during four City public events and five citizen/community sponsored events.

The Operations Division participates in four Regional Safety Campaigns directed at reducing aggressive driving, speeding and school zone violations and provides mandatory in-service training for Department personnel, as well as, specialized training for Department personnel as needed or requested.

In FY2014, the Department requested but did not receive funding for the following items:


- \$80,000 for a FTE Police Officer I. The Police Department's sworn staffing numbers are currently at 32 sworn officers. In the past five years we have lost two sworn positions and four administrative non-sworn positions. The duties for officers have not diminished over the years and the sworn staffing is at a minimum staffing level. Functioning at a minimal staffing level over a long period of time has a stressful effect on the organization and the individual officers. The nature of the sworn position with hyper-vigilant expectations is unhealthy for the individuals as they must also fill vacant positions with overtime slots often time foregoing days off. The police department has experienced seven light duty cases (exceeding a month disability) in this past year, where officers have been unable to perform their job because of stress related illness or injury. The combination of the added duties from four cut positions in administrative staff, minimum staffing based on 32 officers with two vacancies and numerous light duty cases has stretched resources and people significantly. The additional significant pressures of public safety expectations in this past year alone have included: June 2012 Derecho Storm (911 Outages), Hurricane Sandy, Hillwood Ave Incident, significant and complex caseloads of the Criminal Investigations Unit lastly over two years. It takes approximately 18 months from the date of hire to completion of field training to have a full time certified capable police officer to fulfill staffing requirements in patrol.

- \$80,000 for a FTE Police Officer I. In addition to the justification above the continued pressures of securing our City school is a significant task. We currently have one School Resource Officer assigned to the school system and it would enhance our community outreach and services to the school with an additional FTE. The School Resource Officer Program proves to be of great benefit to all communities but in light of the tragedies at Newtown Connecticut on December 14, 2012 this is our national, regional and City priority.

2009 -- 34 Officers
 2010 -- 33 Officers
 2011 -- 32 Officers
 2012 -- 32 Officers

- \$56,000 for Vehicle Maintenance. The Police Department's Patrol Division's marked cruisers are an aging fleet of vehicles. The nature of the vehicle maintenance has increased significantly because of the age of the vehicles hence the mechanical problems are significant and expensive. In the Patrol fleet we currently have one 2004 model and five 2008 models. It is anticipated with the newly acquired vehicles in FY2013 (released February 2013) will replace two of the oldest models. In addition to the Patrol vehicles, the Criminal Investigation Unit, Animal Control, School Resource Officer, Community Services Officer and Command Staff vehicles need to be maintained. The vehicles assigned outside of Patrol Division are typically older models but are driven less, the age of this fleet is between 5 years and 12 years old.

CITY VISION

 NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE	
GOAL	To work collaboratively with the community in responding to reported crime and quality of life issues that affects the City and its citizenry. The Operations Division will fulfill this public safety responsibility by embracing the principles of the government service defined in the City's vision to maintain a safe, successful, vibrant community.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> • Proactive Patrol incorporating Community Policing techniques. 	<ul style="list-style-type: none"> • Incorporate problem solving techniques to resolve community issues, through enforcement, intervention and prevention while working with all City agencies.
<ul style="list-style-type: none"> • Reduce or maintain the number of reported motor vehicle accidents at CY12 level. 	<ul style="list-style-type: none"> • Average emergency response time is four minutes or less. • All reports/evaluations completed within established time frames.
<ul style="list-style-type: none"> • Complete all mandated training for personnel. 	<ul style="list-style-type: none"> • Personnel have attended and completed all mandated training by June 30, 2014.
<ul style="list-style-type: none"> • Plan, organize and coordinate all City resources on special events and large scale incidents. 	<ul style="list-style-type: none"> • Complete detailed after action reports for all public events within 45 days of the event.
<ul style="list-style-type: none"> • Evaluate, assign and investigate all internal and external complaints on personnel and processes. 	<ul style="list-style-type: none"> • Complete all Internal Investigations and Administrative Reviews within 45 days.

STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 22.75 TOTAL

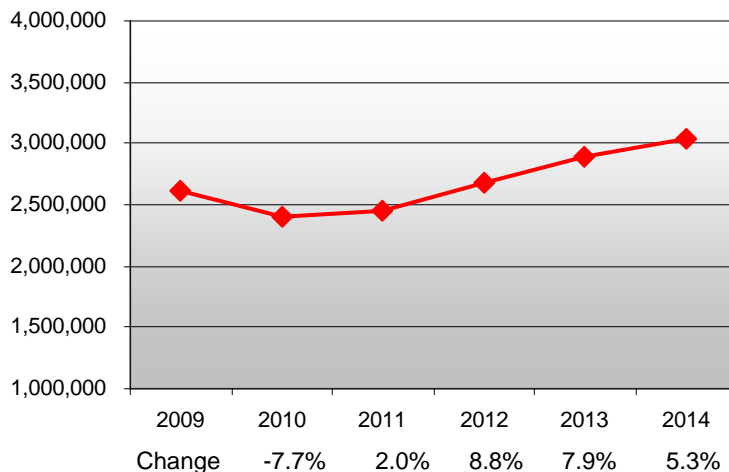
- 1.00 Deputy Chief
- 13.00 Uniform Patrol Officers
- 4.00 Sergeants
- 4.00 Corporals
- 0.75 Parking Enforcement Officer

POLICE OPERATIONS

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 1,489,646	\$ 1,541,298	\$ 1,629,140	5.70%
Benefits	905,908	938,899	1,023,105	8.97%
Professional and Contractual	72,999	50,000	16,700	-66.60%
Materials, Supplies, and Other	218,894	195,645	208,645	6.64%
Capital Outlay	81,417	159,000	159,000	0.00%
Total Expenditures	2,768,865	2,884,842	3,036,590	5.26%
Revenues				
Charges for Services	11,112	2,000	2,000	0.00%
Federal Grants	6,187	7,200	7,200	0.00%
State Grants	263,549	322,334	322,334	0.00%
Fines	440,218	550,198	378,879	-31.14%
Proceeds from Sales of Bonds	-	159,000	159,000	0.00%
Total Revenues	721,067	881,732	710,413	-19.43%
Net Expenditures				
Supported by General Revenues	\$ 2,047,798	\$ 2,003,110	\$ 2,326,177	16.13%

BUDGET TREND: FY2009 – 2014



Notes:

- The increase in FY2013 is primarily due to the purchase of 3 replacement cruisers. These will be funded with bond proceeds.
- The Revenues have decreased. We have less officers on the street and two vacancies for 6 months. The timing of hiring is driven by Academy availability and training all of which has a compound effect on staffing and revenue.

POLICE SERVICES

The Services Division includes the Criminal Investigations Unit, Records Unit, School Resource Officer, and Community Services Officer.

The Criminal Investigations Unit conducts investigations on major crimes ranging from homicides and robberies to thefts and financial crimes. The detectives not only investigate criminal matters, but they are also responsible for processing crime scenes. Annually, the Criminal Investigations Unit investigates approximately 250 cases. The Records Section, in addition to managing and organizing traffic and criminal incident and arrest documentation within the Records Management System, provides clients with police reports, record checks for employment, and accident reports. The Records Section processes and/or retrieves approximately 10,000 written reports, tickets and other similar information annually. The School Resource Officer (SRO) is assigned full time to the George


Mason High School and Mary Ellen Henderson Middle School and provides community resources, crime prevention, and educational services to the students and school staff. The Community Services Officer (CSO) conducts home and business security surveys, provides educational programs both in the elementary and the private/parochial schools, and conducts numerous training programs for our citizens and the business community. The CSO is also the liaison and coordinator for the Crossing Guards and assists with the Photo Enforcement program.

The Services Division also coordinates and oversees all training for both sworn and civilian employees, maintains 20 police vehicles and trailers, and oversees the evidence/property function of the department which handles approximately 1,000 pieces of evidence annually.

In FY2014, the Department requested but did not receive funding for the following items:

- Funding for polygraph examiner training in the amount of \$10,000. Polygraph examiners in Virginia require certification and licensing by the state and is a process that takes about one year to complete (formal training plus internship). Having a licensed examiner is an invaluable asset to a Police Department for pre-employment, criminal, and internal investigations.

CITY VISION

 NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE	
GOAL	The Services Division is committed to maintaining public safety through the development and deployment of effective crime prevention and education programs for the community to include children, residents, and business owners. To support the efforts of the operations division in the apprehension of offenders and the recovery of property.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> • Conduct thorough investigations that will lead to the apprehension of offenders and the recovery and return of stolen property. 	<ul style="list-style-type: none"> • Maintain, at a minimum, the case closure rate for Criminal Investigations Unit at CY12 levels.
<ul style="list-style-type: none"> • Compile accurate records and information to maintain a database that will provide analytical reports that will serve as the basis for proper distribution of services, as well as, effective and efficient deployment of department resources. 	<ul style="list-style-type: none"> • Expand availability of analytical reports to supervisors and detectives. • Ensure all records are entered in the Records Management System with minimum errors. • Expand use of the Records Management System by mapping reports of pertinent statistics.
<ul style="list-style-type: none"> • Expand services and educational programs in the community to help prevent crime. 	<ul style="list-style-type: none"> • Expand traffic safety programs through campaigns such as "Click It or Ticket," "Checkpoint Strikeforce," and "Bicycle, Pedestrian Awareness Week." • Increased participation in the Arlington/Falls Church TRIAD program educating senior citizens on crime prevention.

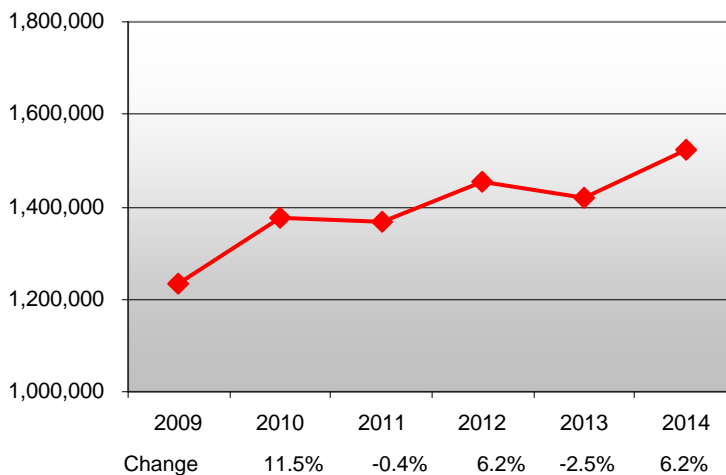
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 12.00 TOTAL

- | | |
|---------------------------------|--|
| • 1.00 Captain | • 1.00 Sergeant - Investigations |
| • 4.00 Investigators | • 0.75 Community Services Officer |
| • 1.00 School Resource Officer | • 2.25 Crossing Guards |
| • 1.00 Administrative Assistant | • 1.00 Senior Administrative Assistant |

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 846,501	\$ 810,223	\$ 839,257	3.58%
Benefits	309,206	344,171	373,473	8.51%
Professional and Contractual	107,262	138,500	167,612	21.02%
Materials, Supplies, and Other	135,087	124,576	124,576	0.00%
Total Expenditures	1,398,057	1,417,470	1,504,918	6.17%
Revenues				
Federal Grants	7,720	-	-	0.00%
Net Expenditures				
Supported by General Revenues	\$ 1,390,336	\$ 1,417,470	\$ 1,504,918	6.17%

BUDGET TREND: FY2009 – 2014**Note:**

- A portion of the increase for FY2014 is from increases in contractual obligations to Arlington County related to the City's usage of the radio system.
- In FY2013, the Services Division realized reductions due to personnel cuts and reassignments within the Department. For FY2014, personnel assignments remain the same and budget increases are resulting from the increase in the cost of benefits.

POLICE DEPARTMENT - DISPATCH


The Falls Church Police Dispatcher Center is the E-911 call transfer point for the City, it answers the Police Department's emergency and non-emergency phones 24/7/365, dispatches complaints requiring police officer response, and they are the after hours contact point for the City. The dispatchers also provide after hours security for City Hall and all other City buildings, including schools, by monitoring the City fire/burglary alarm system. The dispatchers monitor the Emergency Public Safety Radio System for the Capitol Region, Weather Radio, Amber Alert System and other emergency notification systems.

Annually, the Dispatch Center answers over 60,000 emergency and non-emergency telephone calls and dispatches approximately 24,000 calls for service. In addition, the dispatch center maintains the criminal warrant file system consisting of approximately 400 warrants and conducts computer records checks for approximately 8,000 motor vehicles and 8,500 drivers annually for both the Police Department, as well as the Falls Church Sheriff's Office.

In FY2014, the Department requested but did not receive funding for the following items:

- Communications Dispatcher for \$62,000. The Communications Center needs to have two dispatchers available at any time. The position requires that someone be present, at the console, all the time, without exception. With planned increases in security measures for City Hall and the City's schools, dispatch's responsibilities will continue to broaden and expand. In addition to their current duties, there will be additional alarm boards and video feeds to monitor. Dispatch continues to be the only security point for City Hall after normal business hours.

CITY VISION

 OUTSTANDING GOVERNMENT & PUBLIC OUTREACH	
GOAL	To provide prompt, courteous, and professional service to the public. To safely monitor and accurately communicate information to patrol officers answering and responding to calls for service. To completely document incoming calls and maintain lines of communication with local, state and national agencies.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> • Reduce attrition and thus keep the cost center within its overtime budget. 	<ul style="list-style-type: none"> • Maintain expenditures within allocated funding.
<ul style="list-style-type: none"> • In FY2014, it will be a goal for the Unit to meet the training goals established in personnel's Individual Performance Plan (IPP) without seriously impacting staffing. 	<ul style="list-style-type: none"> • Have two new dispatchers trained and certified by the end of CY14. • At least one dispatcher certified as VCIN Instructor by June 2014.
<ul style="list-style-type: none"> • Maintain proficiency in managing the Communications Center during critical events. 	<ul style="list-style-type: none"> • All communications personnel participate/successfully complete at least one Critical Incident training exercise within FY2014.

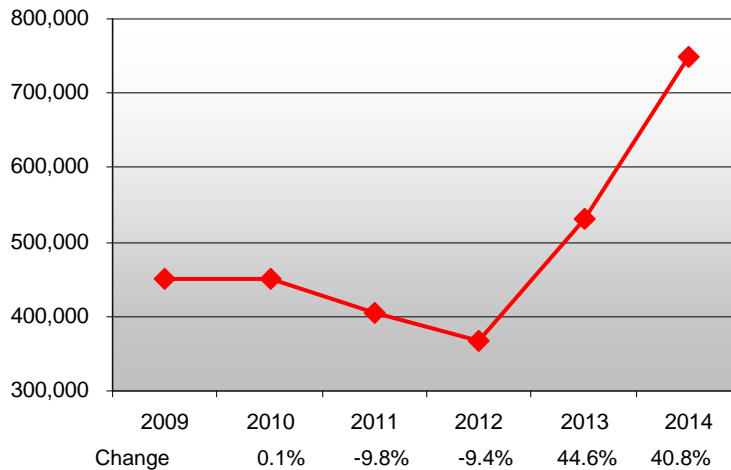
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 6.00 TOTAL

- 6.00 Emergency Communications Technicians

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 261,990	\$ 266,270	\$ 280,763	5.44%
Benefits	74,507	78,230	111,131	42.06%
Professional and Contractual	23,878	187,220	357,209	90.80%
Materials, Supplies, and Other	147	500	500	0.00%
Net Expenditures				
Supported by General Revenues	\$ 360,523	\$ 532,220	\$ 749,603	40.84%


BUDGET TREND: FY2009 – 2014**Note:**

- In FY2014, the retiring Dispatch Supervisor will be replaced by two entry level Dispatchers with a very modest increase in the overall salaries allowing for increased staffing and better control of overtime.
- The lion share of the increase for FY2014 is due to an over 90% increase in contractual obligations to Arlington County for EOC 911 services.

ANIMAL CONTROL

The Designated Animal Control Officer oversees all cases involving domestic and wild animals in the City. The City receives calls on a daily basis concerning animals running at large, animal cruelty, animal bites, nuisance wildlife, and rabies concerns. The Animal Control Officer receives approximately 30 phone calls/emails per day, answers about 240 calls for service each year and secures approximately 35 animals per year. Additionally, the Animal Control Officer maintains the Animal Control Division and vehicle, maintains all necessary/mandated logs, contacts, written reports and handles administrative matters concerning the division.

CITY VISION

 NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE		
GOAL	To provide effective animal control to the community as well as education and public service programs. Maintain an emergency/disaster sheltering plan for the domestic animals/pets of Falls Church City in accordance with the Federal Emergency Management Agency mandate. The plan will allow jurisdictions in the Metropolitan region to work together in the event of an emergency.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> • Educate the public regarding wildlife matters in the City. • Develop the animal sheltering plan with the Falls Church City Coordinator of Emergency Services to coincide with the overall disaster/sheltering plan for the citizens of Falls Church City. 	<ul style="list-style-type: none"> • Increase media releases and publications through e-Focus and Falls Church Cable Channel. • To review and evaluate a finalized plan to assist Falls Church City residents who have pets in their households and other Metropolitan Animal Control agencies in the event of a disaster or evacuation situation. • Continue to implement the public service campaign to educate the public in how to prepare their pets for an emergency evacuation or disaster situation that will include press releases, preparedness literature, website information, etc. 	

STAFFING AND BUDGET RESOURCES

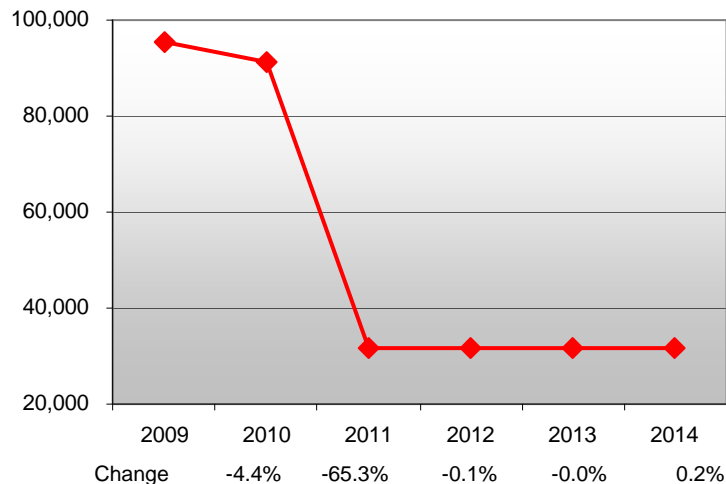
PROPOSED POSITIONS BY FTE – 0 TOTAL

- The position of 0.40 Animal Control Officer is a part-time temporary position.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 34,061	\$ 25,986	\$ 25,986	0.00%
Benefits	3,058	2,258	2,334	3.37%
Professional and Contractual	1,786	2,500	2,500	0.00%
Materials, Supplies, and Other	40	810	810	0.00%
Net Expenditures				
Supported by General Revenues	\$ 38,945	\$ 31,554	\$ 31,630	0.24%

BUDGET TREND: FY2009 – 2014



Note:

- No change to the Animal Control budget for FY2014.

EMERGENCY MANAGEMENT

The Office of Emergency Management (OEM) for the City of Falls Church operates under the direction of the Chief of Police. The City Fire Marshal serves as the Coordinator of Emergency Management. The City Manager is the Director of Emergency Management. OEM provides the leadership, coordination and operational planning that enables the City's response to, and recovery from, the impact of natural and man-made hazards. OEM's responsibilities are local and regional in nature, and are components of the Department of Homeland Security. OEM ensures the City meets and maintains the goals of the National Incident Management System (NIMS). This is accomplished by promoting emergency planning, public education and emergency exercises/drills throughout the City.

Programs administered by OEM include the management of the Emergency Operations Center (EOC), review and updates of the following: Emergency Operations Plan (EOP), Continuity of Operations Plan (COOP), Regional Hazardous Mitigation Plan, NIMSCAST Compliance Reporting and the Local Capability Assessment for Readiness (LCAR) report. Additional management of communication programs under OEM includes WebEOC,

Alert Falls Church, Satellite Phones, Video Tele-Conferencing (VTC) and the administration of the Government Emergency Telecommunications Service (GETS) cards.

Collateral duties for the Coordinator of Emergency Management include attending monthly meetings with the Northern Virginia Regional Emergency Managers. OEM also serves as a point of contact for the Virginia Department of Emergency Management and the Council of Governments Emergency Managers sub-committee.

Accomplishments FY2013

- Rewrite the Emergency Operations Plan (EOP) to meet compliance with Federal and State requirements as well as changes in the reorganization of City Departments.
- Assigned all Departments within the City Government with a lead role in an Emergency Support Function (ESF).
- Updated the Hazard Mitigation Plan as part of a regional effort to include 20 jurisdictions.
- Coordinated NIMS training city-wide to meet Federal and State compliance.
- Completed NIMSCAST reporting indicating City response capabilities as required.
- Completed Local Capability Assessment for Readiness (LCAR) report to the Commonwealth of Virginia.
- Update, refurbished and tested the capabilities of City Satellite Phones.
- Participated in the Virginia Multi-Agency Coordination Center (MACC) for the Presidential Inauguration.
- Participated in Virginia Statewide Tornado and Earthquake Drills.
- Issued Government Emergency Telecommunications Service (GETS) cards to City Leadership.
- Conducted After-Action sessions with departments that responded during the Derecho to determine mitigation and corrected recommendations.
- Submitted for two Federal Reimbursements for the Derecho and Super Storm Sandy accounting for as much as \$400,000.
- Coordinated the delivery of Run-Hide-Fight "Active Shooter" training for all of City staff.


Priorities FY2014

- Update Continuity of Operations Plan (COOP)
- Establish a Citywide Emergency Operations Planning Team. All Departments that have an Emergency Support Function (ESF) will provide one representative to this team. This team will focus on Emergency Planning and be responsible to assist their Department Head in the development of Emergency Plans required by those Departments according to the Emergency Operations Plan.
- Review status updates for City Emergency Support Functions (ESF's) to ensure lead agencies are performing actions required by the Emergency Operations Plan and held accountable.
- Deliver awareness campaign for Active Shooter situations at targeted locations including schools.
- Update of the Emergency Management website.

In FY2014, the Department requested but did not receive funding for the following items:

- There is a need to conduct a city-wide table-top drill, followed by a functional exercise. These are needed to assess the effectiveness of the Emergency Operation Plan and to take corrective actions. The effectiveness of how each department and agency responds must be tested to determine areas of need for an actual event. We requested \$20,000 for this exercise.
- Improving the development of Emergency Support Functions (ESF) throughout the City continues to be an unmet need. This requirement is focused directly on Departments that play a critical role in certain functions during an Emergency Incident or Disaster. Establishing an Emergency Operations Planning Team with all City Departments is consistent with the Governors Executive Order #56 in dealing with School Safety. This team should be no less than quarterly to discuss Emergency Plans. Department functions during an Emergency include: Damage Assessment, Debris Management, Sheltering Plan, Volunteer and Donation Management, Security, Transportation, Health Department Liaison and Long Term Recovery to name a few.

CITY VISION

 NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE	
GOAL	The goal of the Office of Emergency Management is to coordinate a state of readiness for an all-hazard response by City agencies to a natural or man-made incident or potential incident.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Review the Emergency Operational Plans with appropriate city and school staff. 	<ul style="list-style-type: none"> Materials on Emergency Preparedness distributed to City departments and to the public.
<ul style="list-style-type: none"> Conduct one Tabletop Exercise for the City. 	<ul style="list-style-type: none"> Administer with the regional NIMS compliance and training officer a local exercise to determine readiness and the effectiveness of the EOP. Participate with regional partners in training and exercise events.
<ul style="list-style-type: none"> Conduct NIMSCAST reporting. 	<ul style="list-style-type: none"> Complete audit of all departments to include resource typing of equipment. Conduct annual audits to ensure department directors are maintaining staff emergency training capabilities.

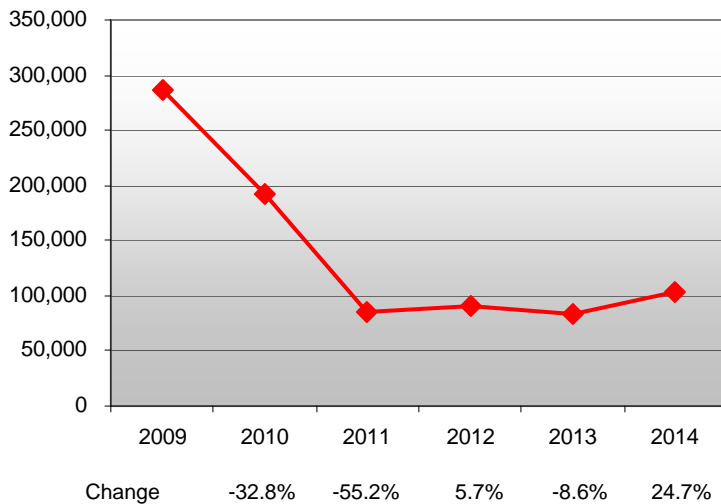
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 0.50 TOTAL

- 0.50 Emergency Management Coordinator

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 36,035	\$ 36,905	\$ 51,058	38.35%
Benefits	12,122	13,726	20,125	46.62%
Materials, Supplies, and Other	11,376	16,898	16,898	0.00%
Capital Outlay	15,627	15,750	15,750	0.00%
Net Expenditures				
Supported by General Revenues	\$ 75,161	\$ 83,279	\$ 103,831	24.68%

BUDGET TREND: FY2009 – 2014**FIRE SERVICES – ARLINGTON COUNTY**

The Office of the Chief of Police, by contract, coordinates with the Arlington County Fire Department and Volunteer Fire Department to provide 24/7/365 fire, EMS and HAZMAT services at the Falls Church Fire Station #6. Arlington County has 30 fire fighters and emergency medical services personnel, assigned to the Falls Church Fire Station.

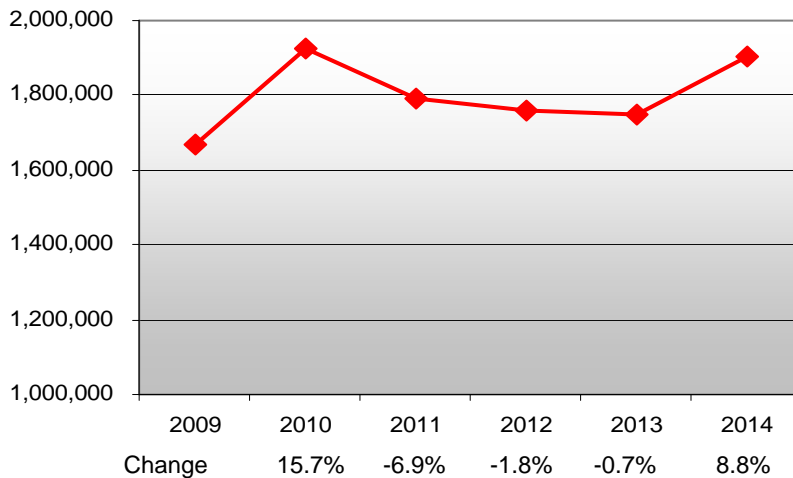
Annually, the Arlington Fire/EMS responds to approximately 5,400 calls and approximately 25 HAZMAT calls.

STAFFING AND BUDGET RESOURCES**PROPOSED POSITIONS BY FTE – 0.00 TOTAL**

- Contract with Arlington County provides for 30 fire fighters.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	\$ 1,761,944	\$ 1,750,215	\$ 1,904,747	8.83%
Total Expenditures	1,761,944	1,750,215	1,904,747	8.83%
Revenues				
Charges for Services	252,206	264,515	265,000	0.18%
Total Revenues	252,206	264,515	265,000	0.18%
Net Expenditures				
Supported by General Revenues	\$ 1,509,738	\$ 1,485,700	\$ 1,639,747	10.37%

BUDGET TREND: FY2009 – 2014

FALLS CHURCH VOLUNTEER FIRE DEPARTMENT

The mission of the Falls Church Volunteer Fire Department (FCVFD) is to aid in the preservation of life and property. This mission is completed in cooperation with the City of Falls Church government and the Arlington County Fire Department. During the calendar year 2012, the volunteers participated and contributed in a myriad of functions related to the public safety of the citizens of the greater Falls Church community. This participation can be allocated to three major areas:

Apparatus Staffing and Emergency Response

Personnel contributed over 6,600 hours in 2012 staffing fire and rescue apparatus. During those hours, 1,919 emergency responses were logged. The Department maintains between 50 and 55 operational members. Members supplement the Arlington personnel on the primary apparatus and operate independently on volunteer-staffed ambulances, pumpers and support vehicles. The FCVFD owns a pumper, two ambulances, utility vehicle, light & air and canteen unit.

Members routinely support a number of public events with emergency medical technicians and firefighters. Those events include but are not limited to:

- Downtown Falls Church New Year's Eve Celebration
- Falls Church Memorial Day 3K Fun Run and Parade
- Falls Church Independence Day Fireworks
- Taste of Falls Church
- Tinner's Hill Blues Festival
- Marine Corps Marathon
- Yorktown and Bishop O'Connell High School Football Games

Training

Personnel spent over 4,300 hours preparing for emergency operations in 2012. Training included structural firefighting, emergency medicine, emergency vehicle operations, tactical rescue, and hazardous materials response. A number of personnel completed officer and instructor level courses. Much of the training received is accredited by the Virginia Department of Fire Programs and the Virginia Office of Emergency

FALLS CHURCH VOLUNTEER FIRE DEPARTMENT

Medical Services. The Department has developed many of its own instructors and conducts training programs internally, providing for a significant cost savings in training delivery.


Administration

Fire prevention, public education and the business functions of the Department accounted for over 3,500 hours of administrative activity in 2012. The management of the station facilities is a critically important function to the operation. This duty is served by volunteer members and includes the planning, direction and oversight of vendors who make facility repairs and perform preventative maintenance activities. Additionally, many volunteers perform maintenance activities at the facility at considerable cost savings to the City.

The Volunteer Fire Chief is responsible for the planning and execution of City of Falls Church funds budgeted to the Volunteer Fire Department as detailed herein. This funding is used primarily for non-discretionary items directly relating to the provision of fire and EMS services in the City of Falls Church, including but not limited to: vehicle insurance, fuels, apparatus and equipment repairs, and facility maintenance.

In addition to the financial support provided by the City of Falls Church, the Volunteer Fire Department solicits contributions from citizens living in areas commonly served by the station. The proceeds of these efforts are used to augment the Fire Department mission in otherwise unfunded areas. In 2012, the Volunteer Fire Department placed a light and air unit into service at a cost of more than \$300,000. In CY2013, the Volunteer Fire Department plans to acquire a new Advanced Life Support Medic Unit at a cost of approximately \$240,000.

CITY VISION

 NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE		
GOAL	Provide the highest level of customer service to the citizens of our community.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Expand online internet presence with the utilization of free services, such as FaceBook, to strengthen community outreach efforts and enable citizens to locate available services such as free smoke detector installation, CPR instruction, and fire safety presentations. 	<ul style="list-style-type: none"> Website content updated by March 20, 2014. 	
<ul style="list-style-type: none"> Perform fire prevention and safety inspections of residences at the request of local citizens. 	<ul style="list-style-type: none"> 100% of citizen requests fulfilled. 	
GOAL	Expand opportunities for children and adults to obtain comprehensive fire prevention and safety information.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Maintain a community CPR and First Aid effort and schedule at least one community CPR class. 	<ul style="list-style-type: none"> At least one community CPR class is completed by December 31, 2013, as certified by the American Heart Association (AHA). 	
GOAL	Strengthen the quality of our membership through retention, development and morale preservation efforts.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Add training materials from company and county drills to the organization intranet, when possible. 	<ul style="list-style-type: none"> 100% of available training materials are posted on organization intranet every fiscal year. 	
<ul style="list-style-type: none"> Request and document exit interviews with all members that leave the Department. Identify lessons learned for future retention efforts. 	<ul style="list-style-type: none"> 25% of exit interviews are completed and documented. Year-end report summarizing lessons learned through exit interviews provided within 30 days of end of fiscal year. 	

FALLS CHURCH VOLUNTEER FIRE DEPARTMENT

<ul style="list-style-type: none"> Encourage that each member complete a state or nationally recognized training course each year. Identify and locally host two Virginia Department of Fire Programs (VDFP) classes annually that will enhance the Department's operational proficiency. 	<ul style="list-style-type: none"> 25% of members complete at least one additional training course by June 30, 2014. Host two VDFP classes by June 30, 2014.
GOAL Provide world class apparatus that makes us uniquely useful and valuable to the community.	
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Update the apparatus plan for the department rolling stock to include acquisition, rehabilitation and disposal of all apparatus. 	<ul style="list-style-type: none"> Apparatus plan updated by March 30, 2014.
GOAL Provide superlative training for FCVFD members.	
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Maintain a personalized training plan for each operational member of the Department. This plan will be created and updated with input from the member as part of the annual evaluation process. Utilize outside expertise to conduct training drills. Seek to provide at least two drills or lectures annually using outside expertise. Recruit and encourage individuals to certify as instructors in the following disciplines: <ul style="list-style-type: none"> American Heart Association CPR HazMat Virginia Department of Fire Programs EVOC EMT Instructor Virginia Department of Fire Programs Instructor I NFPA 1403 Have the FCVFD conduct or participate in live structure fire burn. 	<ul style="list-style-type: none"> 100% of members have individualized training plans provided to them during their annual evaluations. Perform at least two drills or lectures annually using outside expertise. By June 30, 2014, the following certifications are maintained, at a minimum: <ul style="list-style-type: none"> 6 instructors for CPR 3 instructors for Hazmat 3 instructors for Virginia Department of Fire Programs EVOC 2 instructors for EMT 6 instructors for Virginia Department of Fire Programs Instructor I 6 instructors of NFPA 1403 FCVFD conducts or participates in at least one live structure fire burn per year.

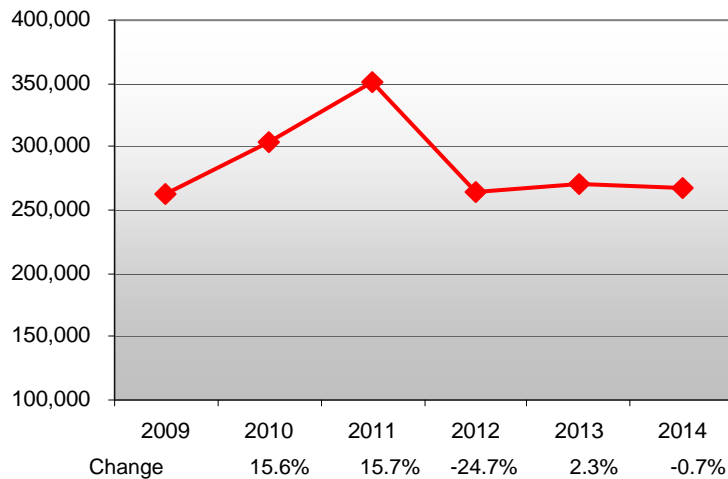
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 0.00 TOTAL

The FCVFD currently has 50 Volunteer Members.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Benefits	\$ -	\$ 6,960	\$ 6,960	0.00%
Professional and Contractual	121,105	117,100	117,100	0.00%
Materials, Supplies, and Other	130,742	145,876	143,876	-1.37%
Capital Outlay	34,157	-	-	0.00%
Total Expenditures	286,004	269,936	267,936	-0.74%
Revenues				
State Grants	19,650	-	-	0.00%
Net Expenditures				
Supported by General Revenues	\$ 266,354	\$ 269,936	\$ 267,936	-0.74%

BUDGET TREND: FY2009 – 2014**Note:**

- The increase in FY2010 from FY2009 reflects costs now being charged by Arlington County for the repairs and maintenance of vehicles and emergency equipment.
- Increase from FY2010 to FY2011 is mainly due to account for latent payment to Arlington County for maintenance of vehicle and fuel costs for FY2009. Budget has been reduced in FY2012.
- Benefits in FY2012 is payment for the state "Line of Duty Act" which provides for death and disability benefits to law enforcement officers and firefighters, including volunteers.

FIRE MARSHAL

The Office of the City Fire Marshal (FM) was established on February 14, 2011. This office functions as a Division under the Police Department and the City Fire Marshal also serves as the Coordinator of Emergency Management (EM).

The mission of the FM is life safety and property preservation through the enforcement of the City of Falls Church Fire Prevention Code and the Virginia Statewide Fire Prevention Code. The City Fire Marshal is designated as the Fire Official for the City. FM inspects and issues permits required by the Fire Code based upon occupancy type and the use of hazardous operations. These occupancies include restaurants, places of assembly, schools, child care facilities including home daycare, warehouses, buildings with fire protection systems, pools, tents, automotive repair facilities, industrial facilities, and any locations in the city using hazardous materials and operations, including fuel dispensing facilities. These inspections are required on an annual basis by the Commonwealth of Virginia and NFPA. Inspections are also conducted on commercial properties on the basis of complaint.

SUMMARY FROM INSPECTION PROGRAM

	INSPECTIONS	PERMITS	VIOLATIONS	REVENUE	REVENUE CHANGE
CY 2012 Falls Church FM	200	143	826	\$36,383	63% ↑
CY 2011 Falls Church FM	177	120	368	\$22,255	69% ↑
CY 2007-2010 Arlington	69 - 96	N/A	N/A	\$6K - \$13K	varied

The most serious violations noted have included: hoarding in commercial structures creating unsafe conditions, operating without a fire prevention permit, improper uses of hazardous materials including explosive gases, and failure to maintain fire alarm and protection systems creating a life safety hazard for occupants and responders. When discovered these businesses have been ordered closed until corrections were remedied.

The City Fire Marshal is responsible for origin and cause investigations involving fire and explosions as well as environmental crimes. There were several fires reported, all determined to be accidental. Significant fires

involved a restaurant at the Eden Center and a high-rise apartment unit. Losses were minimal in these fires due to working sprinkler suppression systems. Total fire loss for the City for CY2012 is estimated at \$500,000.

In addition to those primary duties the City Fire Marshal is part of the Command Staff within the Police Department. As such the position supports any and all emergency events that occur within the City. This included serving as a Command Aide during the Hillwood Ave. incident as well as other law enforcement support roles throughout the year. FM participates in assisting other city departments including: Development Services and Public Works by reviewing plans all new and/or existing structures, Human Services by coordinating and administering Home Child Care Inspections, Recreation and Parks by reviewing Special Events. FM has provided a significant cost savings to the City by providing in-house inspections of all City structures, including Falls Church City Public Schools. The City Fire Marshal is tasked with the administration of these duties including the financial accounting, billing and collecting of revenues associated with the Fire Inspection Program.

The City Fire Marshal holds certifications through the Virginia Department of Fire Programs, the Virginia Department of Housing and Community Development as well as national trade organizations. Maintaining these certifications includes continuing education requirements on a range of topics including plan reviews, inspection code updates, legal updates, origin and cause training and law enforcement investigations and firearms qualifications. OFM must maintain an emergency response vehicle along with equipment necessary to perform the required tasks. Collateral duties for the City Fire Marshal include attending various meetings with groups such as the Northern Virginia Joint Committee on Fire and Arson Investigation and the Council of Governments Fire Prevention Group.

Accomplishments FY2012

- Establish and adopted the City of Falls Church Fire Prevention Code Update.
- Establishment of the Fire Marshal website to provide inspection requirements, safety information and forms.
- Establish, equip and maintain readiness of the Fire Marshal – Emergency Management vehicle.
- Virginia Municipal League awarded to the city for, "Inspections Task Force."
- Continue to add required occupancies to the annual Fire Code inspection database.

Priorities FY2013

- The Fire Marshal position was established in February 2011 as a .50 FTE position being shared with Emergency Management (.50 FTE). In determining the workload for this position, an assessment began to determine the number of inspectable buildings and structures that would be required on an annual basis as well as the estimated number of operational permits to be issued under the Fire Prevention Code. Previous to the establishment of this position, no database existed for the fire safety inspections for existing buildings in the City. At this time an estimated 75%-85% of the mandated inspectable properties have been completed. Newly discovered properties continue each year to be added to the annual inspection program. When completed, a more accurate account of estimated revenue on an annual basis will be solidified.

In FY2014, the Department requested but did not receive funding for temporary part-time personnel for \$26,000 with the following justifications:

- In order to accomplish the requirements set forth in the Virginia Statewide Fire Prevention Code for an annual fire inspection program, additional staffing is required. The current position is responsible for all programs listed under the Office of the Fire Marshal and Emergency Management with no support staff. The requirements of this program provides for a means of revenue to off-set costs of inspections through hourly billing and permit fees.
- The impact of the Water System purchase with Fairfax County also increases the workload for the City Fire Marshal. This includes added inspections of the school system properties, which previously was handled by Fairfax County's Fire Marshal. Other inspections added include the property yard as well as the approval and inspection process for the July 4th fireworks celebration at George Mason High School (previously handled by Fairfax County Fire Marshal).

CITY VISION



NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE

GOAL

To maintain public safety in buildings and structures by preventing fires through the enforcement of the City of Falls Church Fire Prevention code.

OBJECTIVES

- Maintain safety in buildings and hazardous operations.
- Assure safety on new buildings.
- Maintain knowledge base to perform all duties.

KEY PERFORMANCE MEASURES

- Continue to assess and maintain a fire inspection program and issue permits where applicable.
- Maintain input on plans review projects.
- Maintain all required training and certifications to perform inspections and investigations.

STAFFING AND BUDGET RESOURCES

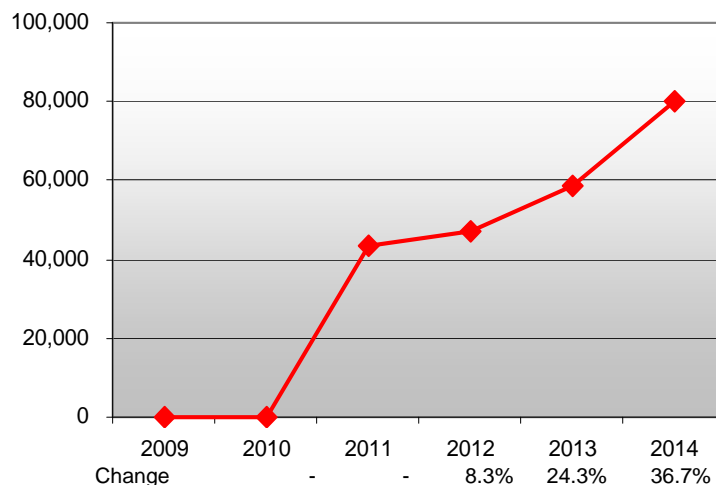
PROPOSED POSITIONS BY FTE – 0.50 TOTAL

- 0.50 Fire Marshal

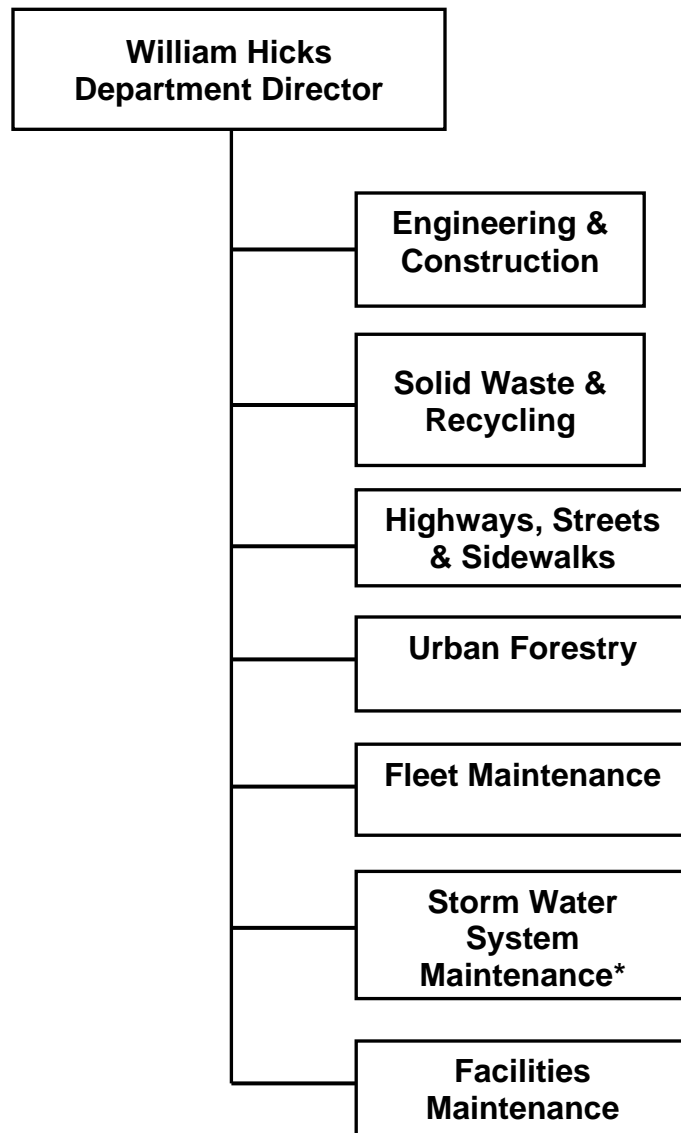
PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 36,034	\$ 36,905	\$ 51,058	38.35%
Benefits	12,029	12,755	20,125	57.78%
Materials, Supplies, and Other	-	9,000	9,000	0.00%
Total Expenditures	114,937	58,660	80,183	36.69%
Revenues				
Charges for Services	21,098	14,000	21,000	50.00%
Net Expenditures				
Supported by General Revenues	\$ 93,840	\$ 44,660	\$ 59,183	32.52%

BUDGET TREND: FY2009 – 2014



DEPARTMENT OF PUBLIC WORKS



*Beginning in FY2014, the stormwater system maintenance program has been moved to an enterprise fund which has its own separate budget. This can be found on pages 203-206. The management of this program remains with the Department of Public Works.

PUBLIC WORKS ADMINISTRATION

The Public Works Department manages many core functions of municipal government including transportation, solid waste collection, leaf collection, urban forestry, facilities and fleet. Through this cost center the Department of Public Works provides planning, engineering and administration support for all public works efforts. In addition, staff funded in this cost center administer several specific programmatic areas including:

- Bridge Inspection
- Annual Paving Rehabilitation/Replacement
- Annual Sign & Striping Rehabilitation/Replacement
- Private Development Oversight
 - Transportation Impact Assessments
 - Erosion and Sediment Control
 - Site Plan / Grading Plan Review
- Road Safety Audits
- Traffic Calming / CACT
- Pedestrian / Cyclist Improvements
- Capital Improvements Program
- ROW Permitting
 - Construction, Block Parties, Utilities/Franchise Agreements

The Public Works Department budget consists of three general components:


- 1) Staff
- 2) Equipment and Supplies
- 3) Contracts

While budgets have not substantially increased over the last four years contract, fuel and supplies costs have continued to rise. The department carries expenditures for contracts like HVAC service, traffic signal work, electrical work where there is no expertise or capacity in house to perform these tasks. There are logical reasons not to bring these services in-house. Notwithstanding, these costs rise over time and this budget covers those costs. However, in order to do so staff resources and equipment replacement are limited. The City has a Public Works Superintendent who manages all of the operational side of public works. Because the budget has not allowed for a deputy position for this individual the Superintendent is continually on call 24-hours per day, 7-days per week, 52-weeks per year. A deputy position to back up the Superintendent is this department's greatest unmet need in this budget.

The second greatest need is equipment replacement. Public works has many pieces of equipment (plows, leaf collection equipment, trucks) for which staff have extended the service life by repeatedly repairing equipment that should have been retired.

The third greatest need is that of increasing the City's road-paving budget. While this line item is held constant from FY2013 to FY2014, it has been substantially reduced over the last decade. And while it was previously possible to repave all roads rated in poor condition or worse this has not been the case for the last three years. Which now means that the number of roads rated in poor condition continues to grow.

CITY VISION

 SUCCESSFUL DEVELOPMENT	
GOAL	Provide efficient, coordinated plan review and inspection for engineering components associated with development and uses in the City's rights-of-way.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Perform engineering component review in a seamless manner associated with the City's permitting program. 	<ul style="list-style-type: none"> Perform review of submittals within expected time frame.
GOAL	Provide engineering and project management services to ensure a systematic and coordinated approach to identification, design and construction of capital projects for the City.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Timely implementation of the City's CIP plan and other City construction projects. 	<ul style="list-style-type: none"> Ensure that 95% of CIP projects are completed on time and within budget.

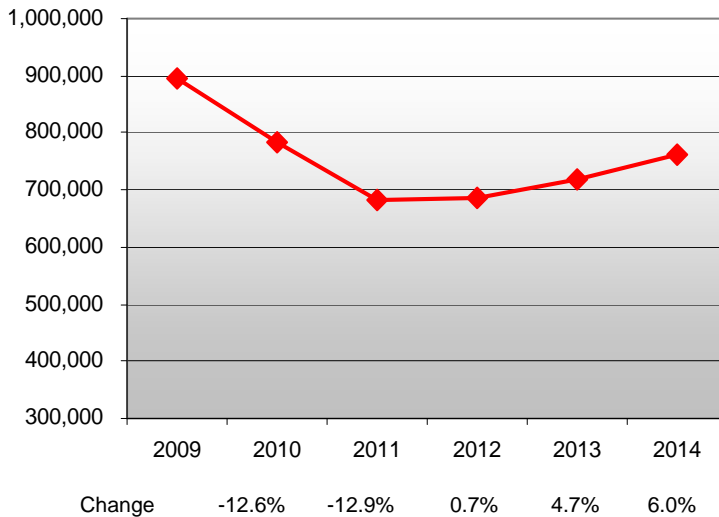
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 5.90 TOTAL

- 0.75 Director of Public Works
- 0.10 Director of Public Utilities
- 1.00 Engineer
- 2.00 Engineering Inspectors
- 0.80 Contracts Manager
- 1.25 Senior Administrative Assistant

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 437,029	\$ 426,491	\$ 459,079	7.64%
Benefits	135,684	145,046	166,492	14.79%
Professional and Contractual	85,801	118,850	97,650	-17.84%
Materials, Supplies, and Other	42,781	29,350	32,705	11.43%
Capital Outlay	118,592	-	7,000	-
Total Expenditures	819,887	719,737	762,926	6.00%
Revenues				
Licenses, Fees, and Permits	150,379	128,945	149,700	16.10%
Charges for Services	8,879	5,500	5,000	-9.09%
Total Revenues	159,258	134,445	154,700	15.07%
Net Expenditures				
Supported by General Revenues	\$ 660,629	\$ 585,292	\$ 608,226	3.92%

PROPOSED BUDGET TREND: FY2009-2014**Notes:**

- FY2009 included a developer funded position to manage the City Center development.
- FY2010 decrease reflects the reallocation of funding for Erosion and Sediment Inspectors to the Water Fund.
- FY2011 reflects the relocation of the permits counter and associated staff to the Department of Development Services, as well as the relocation of GIS Services from the Department of Development Services.
- FY2012 included the reduction of GIS manager position.
- FY2014 increase included the reallocation of a portion of the Director's salary to this cost center and the purchase of computer equipment.

SOLID WASTE & RECYCLING

The Department of Public Works manages solid waste for the City including the following services:

- Residential Solid Waste Collection
 - Refuse, Recycling, Yard Waste, Specials Collections
- Recycling Center
- Hazardous Waste Management
- Solid Waste Code Compliance
- Solid Waste Permit Compliance
- Street Can Installation
- Business Survey, Reporting, etc.
- Environmental Services Council
- Solid Waste Events
 - Extravaganza, Clean Ups, HHW, Mulch Distribution

In performing these tasks, the City collected approximately 5,360 tons of solid waste for calendar year 2012. This included:

- 2,010 tons of refuse;
- 500 tons of loose leaves;
- 485 tons of brush and yard waste; and,
- 1,850 tons of recyclable materials (500 tons of which are collected from the recycling center)


Collected materials are either disposed of at approved facilities or recycled. The City's recycling program diverts material from the waste stream, mitigates costs by generating modest revenues and reducing waste disposal costs. This economic benefit is in addition to the related environmental stewardship benefits. Recyclable materials include those collected curbside (cart & green bin program, yard waste bags, brush and leaves) and at the Recycling Center. Through the robust nature of the City's recycling service and outreach to its residents, the City continues to enjoy one of the highest waste diversion rates (recycling rate) in Virginia. Beginning in late FY2010, the City contracted all curbside collections, except fall loose leaf collection.

Recycling, along with refuse collection, transfer and disposal, is governed by the City's integrated solid waste management plan. The plan highlights the need for increased source reduction, reuse and recycling to decrease

the amount of waste generated in the City. This program also supports litter prevention activities and solid waste management initiatives. Approximately 150 citizen volunteers provide support to the program.

From this cost center, staff manages a program to rehabilitate/replace as well as expand the City's stock of street cans. The program targets a five year schedule to upgrade cans to par recycling cans with refuse cans and expand into known areas of need in the City's commercial corridors. However, this program is only 40% funded, all funds of which are reliant on the state litter grant monies.

CITY VISION

 ENVIRONMENTAL HARMONY		
GOAL	Reduce amount of solid waste generated by government, businesses and residents through effective recycling and reuse programs and education.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Maintain or exceed a residential recycling rate of 50%. 	<ul style="list-style-type: none"> Collect curbside recycling 52 weeks per year. Conduct two community recycling events and two community cleanup events annually. 	
<ul style="list-style-type: none"> Enhance business recycling efforts through a targeted outreach program. 	<ul style="list-style-type: none"> Provide at least one direct mailing to all City businesses regarding recycling requirements and benefits annually. 	
GOAL	Implement best management practices as identified in the City's Solid Waste Management Plan.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Meet priority objectives of Solid Waste Management Plan. 	<ul style="list-style-type: none"> Continue to implement variable rate for refuse services. Annually, educate the community on solid waste opportunities and practices. 	
GOAL	Maintain a clean and healthy community through timely and efficient refuse and yard waste collection services, and through solid waste code enforcement.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Collect refuse, yard waste, and bundled brush weekly. 	<ul style="list-style-type: none"> Ensure 95% of route pickups are performed on schedule. 	
<ul style="list-style-type: none"> Enforce Chapter 34, Solid Waste, of the City Code. 	<ul style="list-style-type: none"> Inspect refuse collection weekly for solid waste code violations and initiate enforcement measures per code requirements. 	

STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 1.00 TOTAL

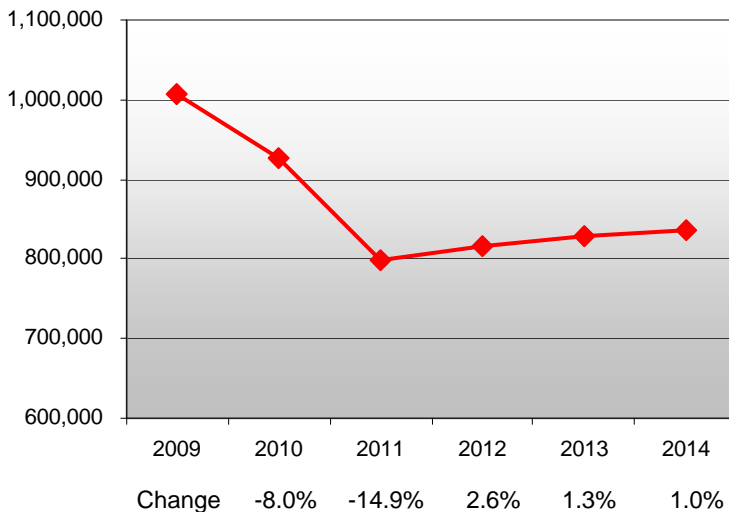
- 1.00 Solid Waste Programs Coordinator

SOLID WASTE & RECYCLING

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 66,114	\$ 72,423	\$ 72,882	0.63%
Benefits	17,030	21,704	23,337	7.52%
Professional and Contractual	660,117	715,800	721,000	0.73%
Materials, Supplies, and Other	15,770	14,363	12,983	-9.61%
Capital Outlay	39,772	5,000	7,200	44.00%
Total Expenditures	798,803	829,290	837,402	0.98%
Revenues				
State Grants	5,000	5,000	7,200	44.00%
Charges for Services	165,527	108,000	118,000	9.26%
Other Grants and Contributions	1,307	1,500	1,500	0.00%
Total Revenues	171,834	114,500	126,700	10.66%
Net Expenditures				
Supported by General Revenues	\$ 626,970	\$ 714,790	\$ 710,702	-0.57%

PROPOSED BUDGET TREND: FY2009-2014



Notes:

- Each year the Fairfax County disposal fee increases. In FY2009 the costs increased 6%.
- FY2010 decrease reflects transfer of 50% of two employee salaries to stormwater system maintenance to support in-house cleaning of the storm sewer system. It also reflects decreases in disposal fees resulting from reduction in solid waste collected. Additionally, FY2010 includes one-time expense reduction for software and not expanding business recycling and new revenues generated from scrap metals recycling.
- Reductions reflect outsourcing of refuse collection. FY2011 merges the previously separate recycling and refuse budgets.

HIGHWAYS, STREETS, AND SIDEWALKS

The Department of Public Works manages roadways in the City including the following programs:

- Concrete Rehabilitation/Replacement
 - Sidewalks, Curb & Gutter
- Asphalt Repair
 - Patching for Roadway & Municipal Lots
- Annual Paving Rehabilitation/Replacement
 - Resurfacing and Reconstruction
- Sign & Striping Rehabilitation/Replacement
- Stormwater Repairs
- VDOT Reimbursed Maintenance


The Department of Public Works manages the construction and maintenance of all City streets, including street paving and repairs, curb and gutter replacement, and sidewalk repair and construction. Approximately 425 linear feet of curb and gutter are replaced annually, along with approximately 550 square yards of sidewalk. City crews use approximately 500 tons of asphalt annually to repair City streets. In addition, approximately two lane miles of 72 lane total miles are resurfaced each year under contract. The City receives funding from the Virginia Department of Transportation to offset a portion of these costs. Crews also provide leaf collection, sign and pavement marking rehabilitation, storm sewer maintenance, and emergency assistance, such as snow removal and clean up from severe weather events, as necessary.

Three significant areas of unmet needs affect this cost center the most. The City has a Public Works Superintendent who manages all of the operational side of public works. Because the budget has not allowed for a deputy position for this individual the Superintendent is continually on call 24-hours per day, 7-days per week, 52-weeks per year. A deputy position to back up the Superintendent is this department's greatest un-met need in this budget.

The second greatest need is equipment replacement. Public works has many pieces of equipment (plows, leaf collection equipment, trucks) for which staff have extended the service life by repeatedly repairing equipment that should have been retired.

The third greatest need is that that of increasing the City paving budget. While this line item is held constant from FY2013 to FY2014, it has been substantially reduced over the last decade. And while it was previously possible to repave all roads rated in poor condition or worse this has not been the case for the last three years. Which now means that the number of roads rated in poor condition continues to grow.

CITY VISION

 SUCCESSFUL DEVELOPMENT		
GOAL	Promote safe travel conditions for pedestrians and drivers through timely street and sidewalk maintenance.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Implement annual asset management plan, including preventative maintenance, rehabilitation and resurfacing to ensure that at least 90% of City streets are in good or excellent drivable state. 	<ul style="list-style-type: none"> Rate road and sidewalk conditions by May 1, 2013. Initiate annual paving projects by June 30, 2013. 	
<ul style="list-style-type: none"> Implement enhanced sidewalk inspection and repair program to ensure that at least 90% of City sidewalks are in good or excellent walkable state. 	<ul style="list-style-type: none"> Initiate repair projects by June 30, 2013. 	

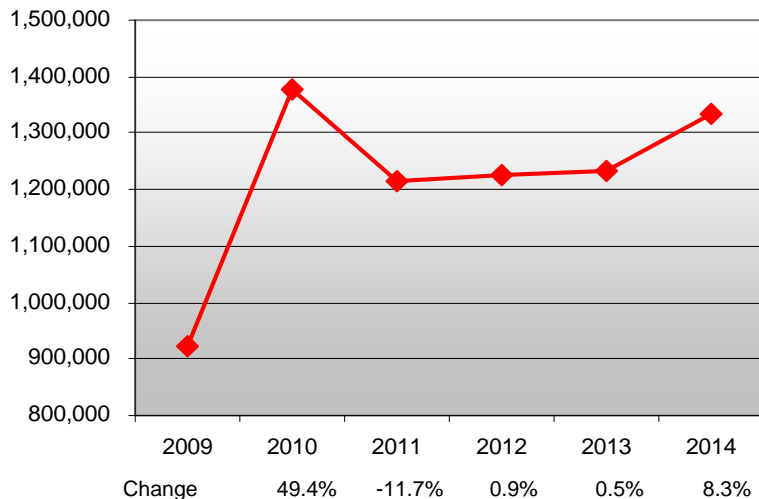
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 11.75 TOTAL

- 0.75 Superintendent of Public Works
- 1.00 Sr. Administrative Assistant
- 3.00 Senior Maintenance
- 1.00 Equipment Operator
- 2.00 Crew Leader
- 4.00 Maintenance Worker
- Salary from this cost center is allocated to Storm 4103, Snow 4105, and Leaf Collection 4205.
- Engineers and Inspectors are assigned from Public Works Administration as needed.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 473,981	\$ 465,531	\$ 530,035	13.86%
Benefits	185,362	208,866	231,186	10.69%
Professional and Contractual	71,271	356,775	343,275	-3.78%
Materials, Supplies, and Other	212,536	200,260	229,000	14.35%
Capital Outlay	41,573	-	-	0.00%
Total Expenditures	984,723	1,231,432	1,333,496	8.29%
Revenues				
State Grants	337,412	148,058	110,926	-25.08%
Net Expenditures Supported by General Revenues	\$ 647,311	\$ 1,083,374	\$ 1,222,570	12.85%

BUDGET TREND: FY2009-2014**Notes:**

- FY2009 decrease reflects transfer of street paving to the General Fund CIP and the FY2010 increase reflects the reclassification of that expenditure back to General Fund operations.
- FY2011 decrease reflects cuts to the Property Yard Open House, striping of municipal parking lots and street paving.
- In FY2012, a reduction was made in road resurfacing to achieve our 10% department budget cut but an increase results due to costs for additional positions and increased cost of benefits.

STREET SWEEPING

The Department of Public Works manages the street sweeping contract. Specific program areas include:

- Roadway Cleaning
 - Aesthetics, MS4 Compliance
- Municipal Lot Cleaning

Street sweeping, required by the City's MS4 permit, has the following benefits: reduces the volume of pollutants entering local streams through the City's 900 storm drain openings; reduces the cost of storm sewer cleaning efforts; and reduces the chance of blockages in the system. In previous years street sweeping kept nearly 600 tons of debris from entering the storm sewer systems and local streams. This was accomplished with monthly

highly efficient tandem sweeps. In FY2011, budget cuts reduced the number of city-wide sweeps and the type of sweep. This consequently reduced the debris collected to 250 tons. In FY2014, the City will plan to sweep city all City streets five times.

STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 0.00 TOTAL

- Employees are assigned from the Highways, Streets & Sidewalks crews as needed.


PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	\$ 31,503	\$ 36,667	\$ 50,000	36.36%
Total Expenditures	31,503	36,667	50,000	36.36%
Revenues				
State Grants	31,503	36,667	50,000	36.36%
Net Expenditures				
Supported by General Revenues	\$ -	\$ -	\$ -	0.00%

SNOW AND ICE REMOVAL

The Department of Public Works, using City crews and private contractors, provides for the timely removal of snow/ice from City streets and public parking lots to ensure safe travel for citizens and emergency equipment. Approximately 450 tons of salt are laid down annually to combat severe weather conditions. Crews plow and/or treat 72 lane miles with each complete pass through the City.

CITY VISION

 SUCCESSFUL DEVELOPMENT	
GOAL	Ensure safe travel for the public and emergency equipment.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Effectively implement the City's snow plan to ensure safe travel conditions. 	<ul style="list-style-type: none"> Snow/ice removal is initiated within two hours of start of event 100% of the time.

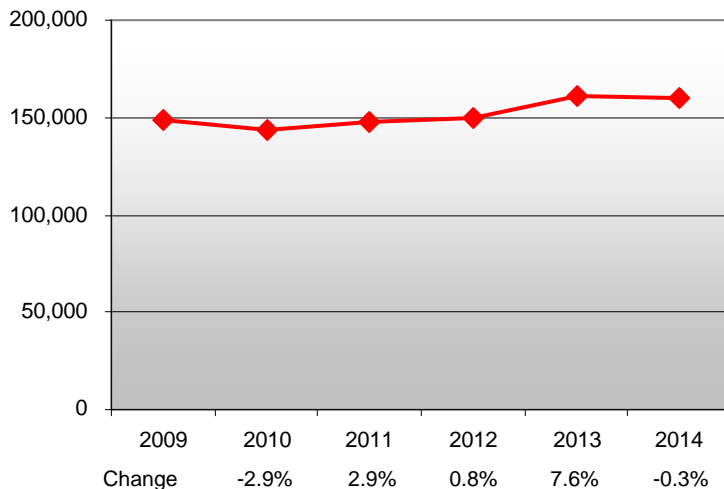
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 0.00 TOTAL

- Employees are assigned from the Highways, Streets & Sidewalks crews as needed.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 19,208	\$ 63,000	\$ 63,000	0.00%
Benefits	6,512	16,439	16,500	0.37%
Materials, Supplies, and Other	19,311	72,147	72,680	0.74%
Total Expenditures	109,481	160,706	160,180	-0.33%
Revenues				
State Grants	49,918	156,706	154,180	-1.61%
Net Expenditures Supported by General Revenues	\$ 59,563	\$ 4,000	\$ 6,000	50.00%

BUDGET TREND: FY2009-2014**Notes:**

- Increase in FY2013 reflects transfer of monies from other Public Works budgets to cover critical repairs to snow equipment.

TRAFFIC SIGNS AND SIGNALS

The Department of Public Works manages the construction/maintenance of all traffic control devices, traffic lane/directional markings, traffic signs and intersection signals within the City limits. Asset inventory includes 29 traffic signals, 144 City-owned streetlights, and more than 2,000 regulatory/street signs. Traffic signal maintenance is performed under contract, and streetlight/traffic sign maintenance is performed by City staff. The City receives funding from the Virginia Department of Transportation to offset a portion of these costs. Specific program areas include:

- Annual Sign & Striping Rehabilitation/Replacement
 - MUTCD/VDOT Compliance (i.e., Retroreflectivity, Height)
 - Structural Inspection for Roadway Signs & Signals
- Road Safety Audits
- Signal Repairs/Rehabilitation/Replacement/Improvements
- Street Light Service and Maintenance
- On-call emergency response for signal and street light problems

CITY VISION



SUCCESSFUL DEVELOPMENT

GOAL	Ensure reliable operation of traffic control devices and street lights to promote public safety.		
OBJECTIVES		KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Assess contractor performance quarterly to ensure satisfactory results under the contract. 		<ul style="list-style-type: none"> Traffic control devices and street lights are operational at least 95 percent of the time. Develop a conditions assessment and asset database for all regulatory and street name signs by June 2013. 	

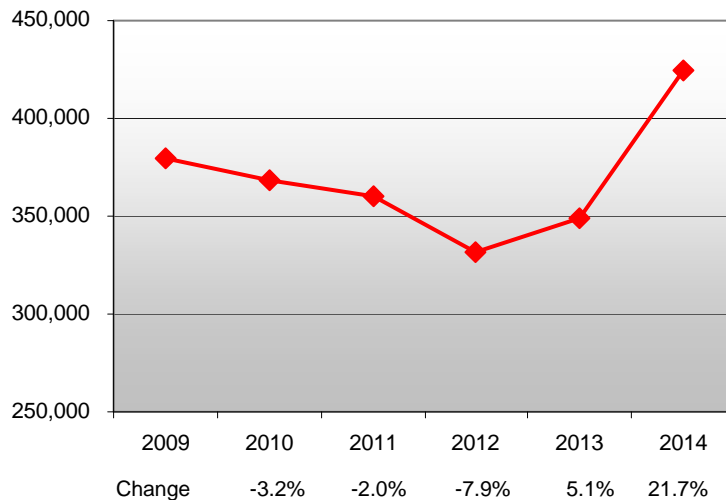
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 0.50 TOTAL

- 0.50 Engineer
- Traffic Signals – contracted services managed by Public Works Administration staff.
- Traffic Signs – employees are assigned from the Public Works Administration and Highways, Streets & Sidewalks crews as needed.
- Street Lights – City owned only - Contracted services managed by Public Works Administration staff.
- Other street lights – City pays a service fee to Dominion Virginia Power who operate the lights.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 4,235	\$ 30,000	\$ 62,563	108.54%
Benefits	1,055	8,862	16,387	84.91%
Professional and Contractual	109,075	92,000	163,250	77.45%
Materials, Supplies, and Other	225,364	218,000	182,500	-16.28%
Capital Outlay	2,943	-	-	0.00%
Total Expenditures	342,670	348,862	424,700	21.74%
Revenues				
State Grants	342,670	348,862	424,700	21.74%
Total Revenues	342,670	348,862	424,700	21.74%
Net Expenditures				
Supported by General Revenues	\$ -	\$ -	\$ -	0.00%

BUDGET TREND: FY2009-2014**Notes:**


- FY2011 reduction reflects savings in electricity costs by converting traffic signals to LED bulbs, and removal of traffic signal video camera detector funds.
- FY2012 reduced maintenance service contract to achieve 10% division budget cut resulting in less available monies for traffic signal modifications. Maintenance of signals and City-owned street lights fully outsourced.
- Increases in FY2013 from FY2012 reflect additional management by engineering staff and reflect the full transition to outsource maintenance begun in FY2011.
- FY2014 increases include the allocation of 0.50 Traffic Engineer's salary and increased costs associated with repairs and maintenance.

LEAF COLLECTION

The Department of Public Works provides collection, transport and disposal of all leaves raked to the curb by residents during the designated leaf collection season, from mid-October to mid-December. City crews as well as seasonal employees provide these services. After collection, leaves are ground into mulch and made available to residents. Approximately 1,000 tons of leaves are collected annually. Specific activities include:

- Residential Leaf Collection
- Leaf Grinding
- Leaf Mulch Distribution

CITY VISION

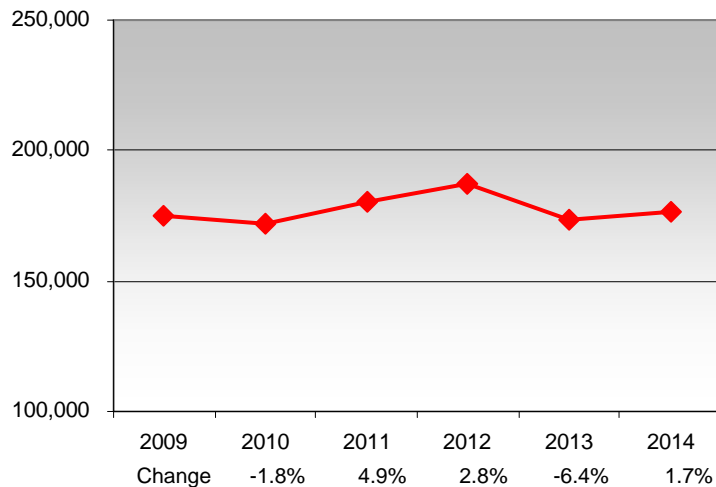
 ENVIRONMENTAL HARMONY	
GOAL	Promote a healthy community and environment by providing leaf collection and mulching services.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> • Provide convenient and timely curbside collection of leaves and brush. 	<ul style="list-style-type: none"> • Complete leaf collection as scheduled, weather permitting. • Disseminate public education materials and collection schedules through a variety of media by October 1, 2012.
<ul style="list-style-type: none"> • Offer high quality mulch to residents and municipal facilities. 	<ul style="list-style-type: none"> • Offer mulch to residents by April 1, 2012.

STAFFING AND BUDGET RESOURCES**PROPOSED POSITIONS BY FTE – 0.00 TOTAL**

- Employees are assigned from Highway, Streets and Sidewalks crews. Temporary labor is also used.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 86,002	\$ 87,600	\$ 91,600	4.57%
Benefits	39,176	37,989	35,594	-6.30%
Professional and Contractual	11,725	24,600	30,000	21.95%
Materials, Supplies, and Other	16,306	23,318	19,200	-17.66%
Capital Outlay	-	-	-	0.00%
Reserves	-	-	-	0.00%
Total Expenditures	153,209	173,507	176,394	1.66%
Revenues				
State Grants	152,216	159,707	160,194	0.30%
Total Revenues	152,216	159,707	160,194	0.30%
Net Expenditures				
Supported by General Revenues	\$ 993	\$ 13,800	\$ 16,200	17.39%

BUDGET TREND: FY 2009-2014**Notes:**


- FY2009 increase reflects costs to maintain equipment and hire temporary help for leaf collection.
- FY2012 increase due to a rise in employee benefits costs.
- FY2013 decrease reflects a more proficient workforce and limited reinvestment in equipment.

GENERAL SERVICES

The Department of Public Works provides for the repair/maintenance of the City's municipal facilities (approximately 160,000 sq ft). Specific programmatic areas include:

- Maintenance and Repair of City Facilities
- General Repairs
- Janitorial Services
- Systems Management
 - (HVAC, Boilers, Structural, Cosmetic, Plumbing, Fire, Elevator, Generator, Roof, Security)
- Annual Conditions Assessment
- Capital Project Implementation

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH	
GOAL	Maintain safe, fully functional, and energy efficient City facilities for employees and citizens.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> • Implement a cost-effective preventive and corrective contracted maintenance program that meets identified performance goals. 	<ul style="list-style-type: none"> • Provide monthly reports regarding contractor program performance.
<ul style="list-style-type: none"> • Align City's general services work with a structure appropriate to the City's size and needs. 	<ul style="list-style-type: none"> • Fully evaluate alternatives to perform City's general services obligations. • If an alternative to the City's current approach is advisable implement the changes necessary to institute this change.

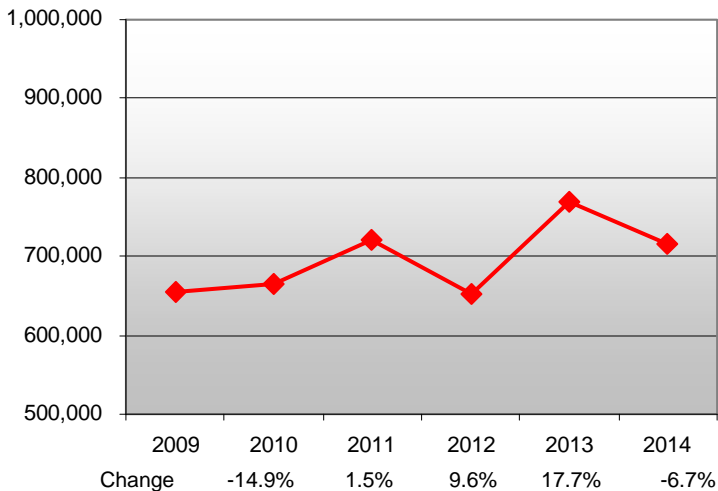
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 2.00 TOTAL

- 1.00 Facilities Manager
- 1.00 Maintenance Technician

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 73,787	\$ 105,232	\$ 131,544	25.00%
Benefits	29,413	50,079	53,779	7.39%
Professional and Contractual	262,072	428,393	350,650	-18.15%
Materials, Supplies, and Other	157,008	184,642	180,600	-2.19%
Net Expenditures				
Supported by General Revenues	\$ 565,052	\$ 768,346	\$ 716,573	-6.74%

BUDGET TREND: FY2009-2014**Notes:**


- FY2011 increase reflects allocation of staff to this function. Funds for repairs and maintenance have been reduced and will result in reduced services.
- FY2012 reduction reflects adjustment of salary/benefit allocations.
- FY2013 increase reflects added facilities manager position.

FLEET MAINTENANCE

The Department of Public Works provides routine annual maintenance and repair of City owned motor vehicles and off-road equipment. City personnel perform repairs and maintenance to approximately 78 motor vehicles yearly, with the exception of major transmission overhauls and other specialized functions.

City, school, fire, and rescue vehicles pump approximately 112,000 gallons of alternative fuels E10 gasoline and B20 bio-diesel annually. City vehicle purchases and operation are guided by the City's "Green Fleet" policy, with the goal to reduce air pollution and greenhouse gas emissions.

CITY VISION

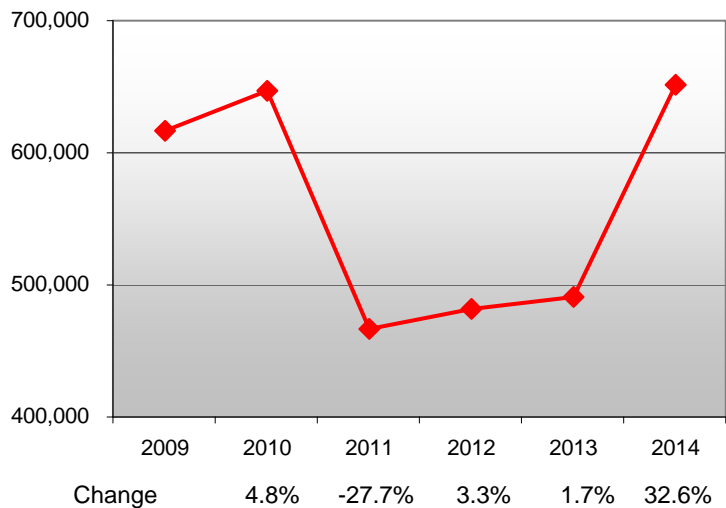
 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH	
GOAL	Maintain and repair City vehicles and equipment to ensure a safe, reliable and energy efficient fleet for City, school and emergency operations.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> • Ensure that total fleet is operational 90% of the time. 	<ul style="list-style-type: none"> • Respond to all requests for motor vehicle services within 24 hours at least 90% of the time. • Secure Mechanic's Automotive Service Excellence (ASE) certification.
<ul style="list-style-type: none"> • Fully utilize the capabilities of fleet maintenance software. 	<ul style="list-style-type: none"> • All fleet employees participate in continuing education on the Fleet Maintenance Software.

STAFFING AND BUDGET RESOURCES**PROPOSED POSITIONS BY FTE – 4.00 TOTAL**

- 1.00 Vehicle Maintenance Supervisor
- 1.00 Senior Auto Mechanic
- 1.00 Auto Parts Specialist
- 1.00 Auto Mechanic

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 243,663	\$ 248,090	\$ 256,233	3.28%
Benefits	87,604	91,706	99,566	8.57%
Professional and Contractual	71,364	71,500	73,700	3.08%
Materials, Supplies, and Other	213,118	79,465	221,263	178.44%
Capital Outlay	14,692	-	-	0.00%
Total Expenditures	630,441	490,761	650,762	32.60%
Revenues				
Charges for Services	490,352	398,000	489,000	22.86%
Net Expenditures Supported by General Revenues	\$ 140,089	\$ 92,761	\$ 161,762	74.39%

BUDGET TREND: FY2009-2014**Notes:**

- Each year reflects rising fuel and parts costs.
- FY2010 decrease due to the removal of four (4) vehicles from the fleet.
- The increase in charges for services in FY2010 is due to 2 fiscal years of fleet maintenance costs from the Water and Sewer Funds. In previous years, recovery of the cost is completed 2 fiscal years later. In FY2010, the City implemented current year recovery for these costs City-wide.
- The increase in FY2010 expenditures is due to a federal grant the City received for the purchase of hybrid vehicles.
- In FY2011, the labor rate charged to other departments is being increased, resulting in reduction of expenditures. In addition, FY2011 reflects removal of FY2010 federal grant funds.
- FY2012 increase due to employee benefits and Auto Mechanic became a Sr. Auto Mechanic upon certification as a Master Mechanic.
- FY2014 increase due primarily because of fuel costs, which are passed to users.



URBAN FORESTRY

The Department of Public Works houses the City's Urban Forestry Division, which oversees the following programs:

- Tree City USA
- City Code Compliance
- Development Review/Enforcement
- Neighborhood Tree Program
- Tree Commission
- Hazard Tree Program
- Triennial Tree Pruning
- Landscape Maintenance
 - Parks, Streetscape, ROW, Schools
- Landscape Rehab & Replacement

Guided by an overall vision to sustain and enhance a livable community with a sustainable, healthy urban forest, the Urban Forestry Division administers urban forestry policies and practices for the City. Through a comprehensive approach to planning, implementation and management of the urban forest the division coordinates with citizens, concerned organizations, other City divisions, developers, and the business community to accomplish its mission.

CITY VISION

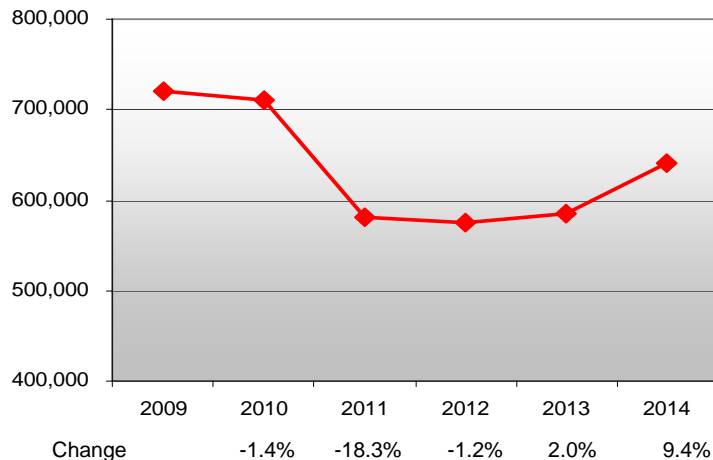
 A SPECIAL PLACE	
GOAL	Create a clear and distinct visual aesthetic identity that differentiates the City.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> • Manage tree risk and associated city liability. • Create and maintain attractive and distinct entranceways and commercial corridors to the City. 	<ul style="list-style-type: none"> • Maintain a tri-yearly pruning schedule of vegetation at public locations. • Replace all trees and vegetation that is removed by the next growing season.
 ENVIRONMENTAL HARMONY	
GOAL	Create and implement community education and educational programs on best management practices that achieve environmental harmony.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> • Develop, implement and sustain community education and educational programs to include addressing energy management/reduction/production. 	<ul style="list-style-type: none"> • Increased public outreach.
GOAL	Provide an efficient, coordinated plan review and inspection for engineering components associated with development and uses in the City's rights-of-way.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> • Perform arborist component review in a seamless manner associated with the City's permitting program. 	<ul style="list-style-type: none"> • Review submissions within expected time frame. • Maintain a consistently rated Chesapeake Bay Program.

STAFFING AND BUDGET RESOURCES**PROPOSED POSITIONS BY FTE – 4.00 TOTAL**

- 1.00 City Arborist
- 1.00 Green Space Manager
- 1.00 Green Space Worker
- 1.00 Maintenance Worker

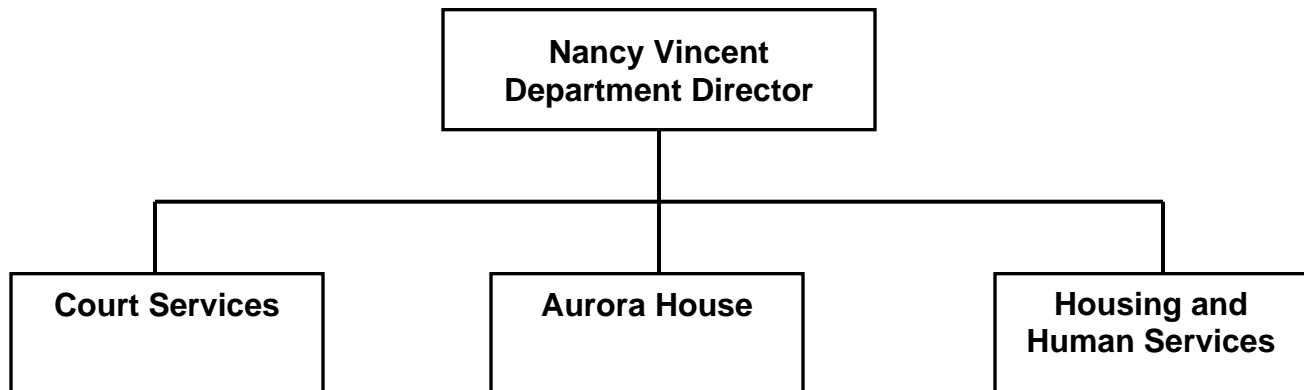
PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 213,990	\$ 216,719	\$ 221,436	2.18%
Benefits	63,575	66,264	79,145	19.44%
Professional and Contractual	155,180	218,254	251,500	15.23%
Materials, Supplies, and Other	87,389	84,280	88,700	5.24%
Total Expenditures	554,906	585,517	640,781	9.44%
Revenues				
Fines	2,350	5,000	5,000	0.00%
Net Expenditures Supported by General Revenues	\$ 552,556	\$ 580,517	\$ 635,781	9.52%

BUDGET TREND: FY2009-2014**Notes:**

- FY2011 decrease reflects reorganization of Urban Forestry previously managed by the Planning Division to the Department of Public Works, contract consolidation and the elimination of 1 FTE vacant position.
- FY2012 reduced irrigation and landscape maintenance contracts to obtain required 10% division budget cut.

DEPARTMENT OF HUMAN SERVICES



DEPARTMENT OF HUMAN SERVICES

The Department of Human Services is comprised of three units which include the Court Services, Aurora House, and Housing and Human Services. In addition to the direct services provided by these units, the Human Services Department connects citizens to services provided under agreements with neighboring jurisdictions. These include the Fairfax County Health Department, Arlington County Judicial and Correctional Services, the Fairfax-Falls Church Community Services Board, the Area Agency on Aging, the Fairfax County Department of Family Services and Public Assistance Services.

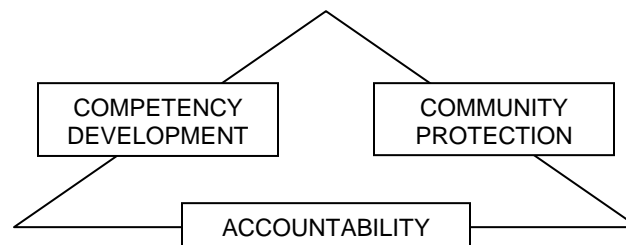
COURT SERVICES

Court Services provides intake, probation, and treatment services to juveniles and adults who come before the Falls Church Juvenile and Domestic Relations District Court (JDR). The JDR Court has jurisdiction in cases involving juveniles, as well as when offenses are committed against family members. Cases typically include child custody, child abuse and neglect, truancy, running away from home, juvenile delinquency, and domestic violence. There are three activities within Court Services, each with its own budget: Court Services Unit, Juvenile Correctional Services, and Judicial Services (contractual with Arlington JDR Court).

Court Services Unit

The Court Services Unit (CSU) provides four general types of services: Court Intake and Diversion, Adult Probation, Juvenile Probation, and mentoring (RISE Mentoring Program). The Court intake service assists victims, police officers, parents, school officials, and child welfare professionals in filing complaints or petitions seeking court action. The Adult Probation counselor supervises adult offenders before the court for domestic violence or offenses against juveniles and monitors their compliance with court-ordered sanctions, counseling, and adult protective orders. Through Juvenile Probation services, the CSU applies a balanced approach in its mission to serve the City's most troubled youth. The unit seeks to protect the community through the use of graduated incentives/sanctions, secure out-of-home placements such as detention, and through careful supervision, monitoring, and reporting of offenders' compliance. The CSU seeks accountability for offenders through services like restitution, Victim Awareness Program, community service, and first-time offender programs. Also, the CSU promotes competency development through counseling and case management services to address substance abuse, problem-solving, family and peer relationships, anger management, summer jobs, school behavior, and other issues. The RISE Mentoring Program matches youth with a caring adult who offers perspective, education, and encouragement.

Court Services Unit: Balanced Approach




Based on FY2012 trends, it is anticipated that the Juvenile and Domestic Relations Court Intake Officers will prepare and file approximately 80 petitions with the Clerk of Court in FY2014. These will include 40 misdemeanor, 2 felony, 4 truancy, 10 child abuse and neglect complaints, 4 child custody petitions, 5 child support petitions, 9 adult protective orders, and approximately 6 juvenile probation violations. CSU probation counselors will provide supervision to approximately 85 youth and 8 adults during the year, with a monthly average of approximately 20 cases. Staff will conduct approximately 900 counseling sessions, 5 pre-sentence or child custody investigations, and prepare an estimated 8 social histories. The CSU will place approximately 35 clients in community service

worksites and supervise their performance of approximately 1,750 hours of service. Probation Counselors will facilitate approximately 20 interagency team meetings and conduct about 120 substance abuse screenings of juveniles.

A probation staff position is being eliminated in the FY2014 budget. Currently, juvenile crime rates are low so that we do not anticipate adverse effects in caseload management. However, if caseloads increase, the City may need to hire additional probation staff.

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH		
GOAL	Reduce the incidence of juvenile offenses among youth entering the JDR Court System.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Provide effective probation supervision to each youth before the court leading to their successful completion of probation. 	<ul style="list-style-type: none"> At least 75% of all juvenile cases will successfully complete probation. Recidivism rate among juveniles, after one year, is no greater than 30%. 	
<ul style="list-style-type: none"> Assist youth under court supervision in obtaining, participating, and completing needed mental health, substance abuse, and other treatment services. 	<ul style="list-style-type: none"> At least 75% of the youth ordered to participate in substance abuse, mental health, or other treatment services will successfully complete the program. 	
GOAL	Reduce the incidence of offenses among adults under the supervision of the JDR Court.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Provide effective probation supervision to each adult before the court leading to their successful completion of probation. 	<ul style="list-style-type: none"> At least 75% of all adult cases will successfully complete probation. Recidivism rate among adults, after one year is no greater than 30%. 	
<ul style="list-style-type: none"> Assist adult offenders under court supervision in obtaining, participating, and completing needed mental health, substance abuse, anger management, and other treatment services. 	<ul style="list-style-type: none"> At least 75% of the adult offenders will successfully complete the treatment programs ordered by the court. 	

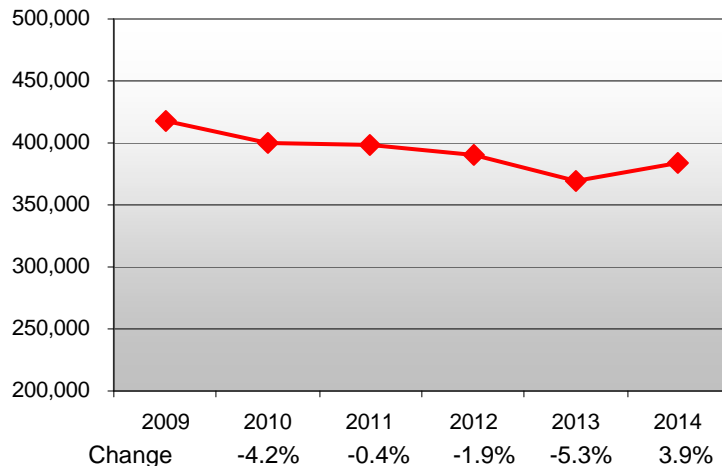
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 3.10 TOTAL

- | | |
|--|--|
| <ul style="list-style-type: none"> 0.10 Director of Human Services 1.00 Director of Court Services | <ul style="list-style-type: none"> 1.00 Probation Officer (Intake & Juvenile) 1.00 Senior Administrative Assistant |
|--|--|

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 268,152	\$ 272,848	\$ 279,792	2.55%
Benefits	74,382	77,194	86,411	11.94%
Professional and Contractual	47,987	1,849	2,229	20.55%
Materials, Supplies, and Other	15,343	18,051	16,087	-10.88%
Total Expenditures	405,864	369,942	384,519	3.94%
Revenues				
State Grants	39,542	37,907	39,542	4.31%
Total Revenues	39,542	37,907	39,542	4.31%
Net Expenditures Supported by General Revenues	\$ 366,322	\$ 332,035	\$ 344,977	3.90%

BUDGET TREND: FY2009-2014**Notes:**

- CSU costs in FY2014 have remained relatively flat. Negative growth is the result of the loss of the Probation Supervisor position.

JUVENILE SERVICES

In addition to services provided directly by the Court Services, the City participates in the operation of several regional juvenile court programs. These are purchased from Arlington County, Alexandria City, or private vendors. For these programs, the City pays only for its actual use of the service based on a per diem rate or an agreed upon formula. By cooperating with other jurisdictions to provide these services, the City is able to greatly expand the alternatives available for youth at significantly lower costs.

Through these contract services, CSU staff facilitates placement in the Northern Virginia Juvenile Detention Center of approximately 28 youths for an estimated total of 329 days. In a typical year, the probation staff will also coordinate placement of one or more boys in the Argus House Boys Group Home and approximately 16 youths in the Detention-Diversion Program. Through the Fairfax-Falls Church Comprehensive Services Act (CSA), probation officers will arrange for approximately 3 youth to receive Home-Based Counseling, psychological and psychiatric assessments, and one youth to enter residential treatment. The City will also provide mentoring to approximately 25 at-risk middle school aged children and another 20 high school youth through the CSU mentoring program.

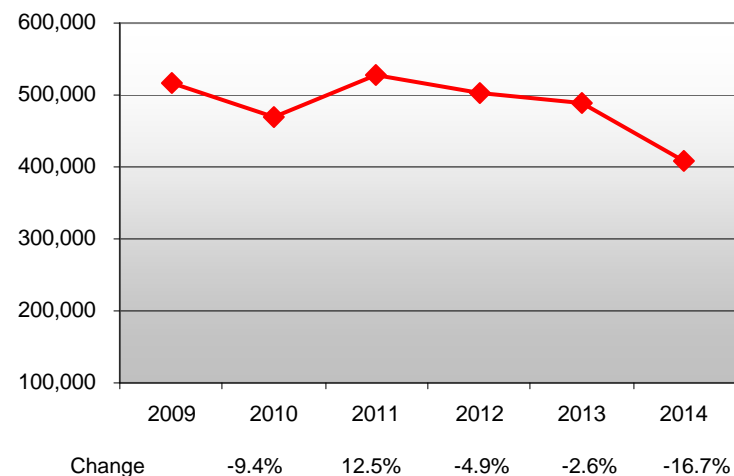
Significant Changes

- **Northern Virginia Juvenile Detention Center (NVJDC):** Reduction of 22%. Falls Church, Arlington, and Alexandria each contribute proportionate funding for the JDC based on 3-year average utilization. Lower costs result from a recent decline in the City's use. The JDC has also obtained revenue from federal agencies that has reduced obligations from sponsoring jurisdictions.

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>
Falls Church City Juvenile Detention Bed Days:	418	397	172

STAFFING AND BUDGET RESOURCES**PROPOSED POSITIONS BY FTE – 0.00 TOTAL (Contracted Services)****PROPOSED BUDGET**

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	\$ 382,715	\$ 489,009	\$ 407,180	-16.73%
Revenues				
Federal Grants	29,523	31,250	31,250	0.00%
Net Expenditures				
Supported by General Revenues	\$ 353,192	\$ 457,759	\$ 375,930	-17.88%

BUDGET TREND: FY2009-2014**Notes:**

- FY2009 increases reflected a transfer of line items for CSA and OAR, and the added cost for the Youth Mentoring Program to this cost center.
- City use of Juvenile Detention has trended downward in FY2012 and FY2013 and has reduced City share of these costs.
- New costs are included for the General District Court Community Corrections Program and the Gang Prevention Coordinator provided under the Arlington Contract.

JUDICIAL SERVICES – ARLINGTON

The City of Falls Church is part of the 17th Judicial District and Circuit Courts. The City receives numerous services from various offices of the Court System that are operated by Arlington County. Arlington County provides, at its cost, offices, materials, supplies, and other support to these various entities. Because the City jointly uses these services, it pays the City's proportional share of the County's costs. Proportionate share refers to the relative population of Falls Church City to the total population of the combined jurisdictions. For FY2013,

Falls Church City is estimated to be 5.61 percent of the combined population of Arlington County and the City of Falls Church.

City support for the Judicial Services provided through this cost center include those of the Circuit Court; Circuit Court Clerk's Office; the General District Court; the General District Court Magistrate Chambers; the Juvenile and Domestic Relations District Court; and the services of the Arlington County Commonwealth's Attorney's Office.

Through these Judicial Services agreements, the Arlington Circuit Court will hear approximately 235 Falls Church cases. The Falls Church General District Court will have approximately 8,524 new city cases and hold approximately 11,736 hearings. The Falls Church Juvenile and Domestic Relations District Court will have approximately 324 new cases and hold approximately 751 hearings. The Magistrate for the General District Court or Circuit Court will issue approximately 750 warrants.

STAFFING AND BUDGET RESOURCES

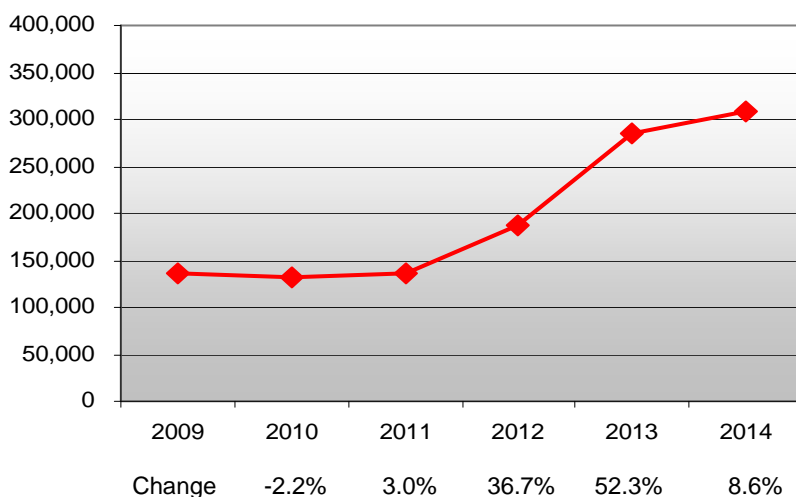
PROPOSED POSITIONS BY FTE – 0.00 TOTAL

- Contractual services provided through agreement with Arlington County.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	\$ 187,439	\$ 284,115	\$ 308,672	8.64%
Materials, Supplies, and Other	-	-	-	0.00%
Capital Outlay	-	-	-	0.00%
Reserves	-	-	-	0.00%
Net Expenditures				
Supported by General Revenues	\$ 187,439	\$ 284,115	\$ 308,672	8.64%

BUDGET TREND: FY2009-2014



Notes:

- City pays Arlington a proportionate share of costs for Judicial Services. For FY2013, this will be 5.61%.
- FY2009 & FY2012 increases reflect higher costs for the Circuit Court Clerk's Office.
- FY2013 increase includes expansion of services from the Arlington Commonwealth's Attorney to include prosecution of all misdemeanor cases in Falls Church. This increase is partially offset by reductions in the City Attorney's budget.


AURORA HOUSE

Aurora House provides residential treatment to adolescent females who are under the formal supervision of the Juvenile and Domestic Relations District Court. The Group Home has a capacity of 12 and serves Arlington County, the City of Alexandria, and the City of Falls Church. The program directly assists girls and their families by providing therapeutic services that address serious emotional, educational, and behavioral problems in a nurturing, structured, and supervised living environment. Teenage girls are placed in Aurora House only by order of the juvenile court. Since Aurora House is a local program, girls remain in their community and continue to attend their home schools. Additionally, this allows Aurora House to provide intensive services to parents, including family counseling and parenting education. The City administers the program and receives revenue for its operation from participating jurisdictions based on their proportionate use.

Aurora House serves an average of 20 adolescent girls annually. Services include individual, group, and family counseling, educational enrichment, and recreational activities. In FY2014, Aurora House counselors will facilitate an estimated 260 therapeutic peer groups and conduct 520 individual counseling sessions. Family Counselors will provide more than 520 family counseling sessions and 52 parenting groups. Other therapeutic services will include developing approximately 60 individual treatment plans, writing more than 120 progress reports, facilitating approximately 120 case consultations, and approximately 40 Court hearings. As part of the educational enrichment services, staff performs daily school attendance checks (1,900 telephone calls annually), and attends more than 80 school conferences and related meetings per school year. Also, members of the community volunteer at the facility providing more than 400 hours of tutorial services to residents annually. To complement our educational program, the staff coordinates and supervises at least 100 community service activities and approximately 104 enrichment and recreational activities annually.

Included in the budget is a one time charge "Capital Outlay" of \$31,058 for new furniture for the girls bedrooms to replace the original furniture that is 22 years old. Professional Services has increased due to the mandated medical needs of our residents, established as part of licensure. All residents must have admission and annual physicals; they receive all prescribed medications in addition to regular office visits. The Professional Services increase is for supervision hours for staff to obtain licensure.

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH		
GOAL	Reduce the incidence of criminal and status offenses committed by adolescent girls placed at Aurora House.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Assist residents in developing successful patterns of interacting at home, school, with peers, and in the community. 	<ul style="list-style-type: none"> Maintain an annual completion rate of girls admitted into the program of at least 75%. Achieve an annual success rate of 70% among graduates from the program after one year, post services (recidivism rate of 30% or less). 	
<ul style="list-style-type: none"> Promote residents' academic and behavioral success in school. 	<ul style="list-style-type: none"> Increase program participants' grade point average by a minimum of 1.0 by program completion. 	
<ul style="list-style-type: none"> Improve interactions between program participants and their parents or guardians. 	<ul style="list-style-type: none"> Achieve a parental participation rate of 85% in family counseling and parenting group services annually. 	
<ul style="list-style-type: none"> Cultivate referrals to the program and evaluate the ability of Aurora House to meet the needs of prospective and current residents. 	<ul style="list-style-type: none"> Maintain an average annual utilization of 80%. 	

STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 7.73 TOTAL

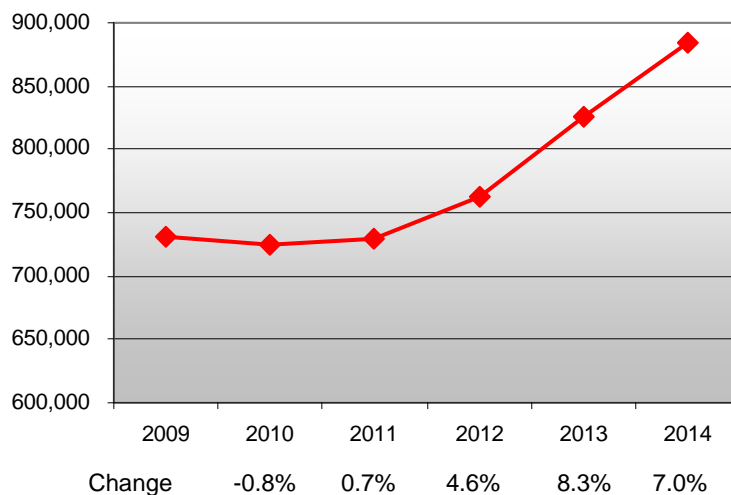
- 0.10 Director of Human Services
- 1.00 Group Home Manager
- 1.00 Residential Supervisor
- 4.00 Group Home Counselors
- 0.63 Food Services Coordinator
- 1.00 Senior Administrative Assistant

Temporary employees are also employed for this program.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 512,050	\$ 556,062	\$ 562,729	1.20%
Benefits	167,083	185,464	183,187	-1.23%
Professional and Contractual	11,024	5,336	19,000	256.07%
Materials, Supplies, and Other	74,572	79,284	87,667	10.57%
Capital Outlay	7,058	-	31,058	-
Total Expenditures	771,787	826,146	883,641	6.96%
Revenues				
Federal Grants	3,154	3,000	3,000	0.00%
State Grants	120,679	111,378	120,679	8.35%
Charges for Services	553,678	613,965	687,893	12.04%
Other Grants and Contributions	-	(5,000)	5,000	-200.00%
Total Revenues	677,511	723,343	816,572	12.89%
Net Expenditures				
Supported by General Revenues	\$ 94,275	\$ 102,803	\$ 67,069	-34.76%

BUDGET TREND: FY2009-2014



Notes:


- Revenue from non-general fund sources for Aurora House will be about \$816,572.
- Costs for Aurora House are paid by participating jurisdictions based on utilization and per diem rates.
- Typically, about 10% of Aurora House funding comes from the City.
- FY2014 includes an increase for mandated medical physicals, vaccinations, and appointments as well as mental health clinician services for residents and consultation and supervision for licensure for staff.

HOUSING AND HUMAN SERVICES ADMINISTRATION

Housing and Human Services (HHS) builds a stronger, healthier, and more secure community by offering a range of comprehensive services to help City residents in need. Assistance includes supportive services such as housing counseling, case management, information and referral; the provision of a variety of housing and community development programs such as rental assistance, rent relief, homeownership assistance; and development of affordable housing. Particular focus is directed at vulnerable populations including seniors, at-risk families and individuals, residents with limited English proficiency, victims of domestic violence, individuals with disabilities, homeless individuals, and households with low and moderate incomes. These populations often have fewer resources and options than the community at large.

Program	Benefits
Manage City Contracts	Ensure the terms of contracts with DFS, CSB, AAA, and Health Department are met, and City resident's needs are being served. Other contracts monitored: Fairfax Housing & Redevelopment Authority (Housing Voucher), Sunrise Assisted Living, WMATA (Metro Access), NDC Real Estate Management (Gibson Street Apartment Complex), and Community Service Fund Grants.
Information and Referral Case Management Counseling Crisis Intervention	Provide information and referrals, case management, and/or crisis intervention to meet immediate needs to enable clients. 2,459 contacts in FY12. (walk in/1,766, phone/1,366, home visits/43, letter/mail inquiry response/284).
Affordable Dwelling Unit Marketing and Administration	Continue marketing program, application and certification process for ADUs to enable low and moderate income households to secure permanent housing. Monitor and recertify all units. 15 rental units and 25 home ownership units.
First Time Homebuyers Program	Administer homeownership program to households under 120% AMI through down payment and closing cost assistance.
Affordable Housing Policy Implementation	Develop implementation strategies and appropriate funding. Housing staff serves on development teams.
Landlord-tenant Counseling	Provide information, referrals, and interventions, if needed, to tenants and landlords to prevent evictions and promote stability in rental properties. Responded to 41 landlord/tenant complaints.
Community Development Block Grant and HOME	Complete monitoring mandates as required by federal CDBG funds to ensure continued allocation of funds that provide housing and community based services to low and moderate income and/or disabled persons. Administers and monitors 8 contracts according to HUD requirements.
Develop and Coordinate Community Resources	Work with community providers to identify and maximize resources to enable residents to meet their essential needs. Coordinate intervention with local agencies and Fairfax contract agencies. Provided emergency food referrals to 21 households; domestic violence services to 5 persons; homeless prevention services (eviction) intervention to 59 persons receiving eviction notices; housing counseling to 633 persons; and landlord/tenant counseling to 41 persons.

CITY VISION

 DIVERSITY	
GOAL	Ensure resident needs related to health and social services are met through City programs and/or contractual relationships with Fairfax County.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Monitor contract services with Fairfax Department of Family Services, Fairfax-Falls Church Community Services Board, and Fairfax County Health Department. 	<ul style="list-style-type: none"> Reconcile quarterly invoices and reports. Verify City resident usage. Ensure contracts are current and accurately reflect services to be provided and cost formulas.
<ul style="list-style-type: none"> Provide case management, emergency financial assistance, transportation assistance, and referrals to health care, food assistance, and assisted living. 	<ul style="list-style-type: none"> Conduct outreach to homeless and welfare checks to seniors. Referrals to dental and vision care. Referrals to food bank. Referrals to Sunrise Senior Living. Administer Emergency Financial Assistance Fund, Fare Wheels Program, and Rent Relief Program.
GOAL	Preserve and develop affordable housing as a means to ensure economic diversity.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Expand housing choices by increasing the number of new affordable housing units and housing services for low, moderate, and middle income households through inclusionary zoning. 	<ul style="list-style-type: none"> Negotiate with developers for inclusion of ADUs in new development. Facilitate homeownership for first-time homebuyers with low/middle incomes through Affordable Housing Fund created with cash contributions from developers. Meet administrative and program requirements to secure HUD CDBG/HOME funding to provide funding for housing and community development activities as permitted by HUD guidelines. Expand housing choices by increasing number of new affordable units through participation in development teams for special exception mixed-use projects.
GOAL	To provide a full range of human services to meet the needs of citizens.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Develop and provide information as needed/requested by residents. 	<ul style="list-style-type: none"> Maintain or exceed a 90% satisfaction rating for disposition of information and referral requests, emergency assistance, crisis intervention, and short-term case management, as measured by quarterly follow-up inquiries to no less than 10% of all callers/applicants. Provide staffing for regional and City emergency preparedness planning. Maintain data base of resources and services available to City residents. Participate in NOVA I&R work Group.

STAFFING AND BUDGET RESOURCES

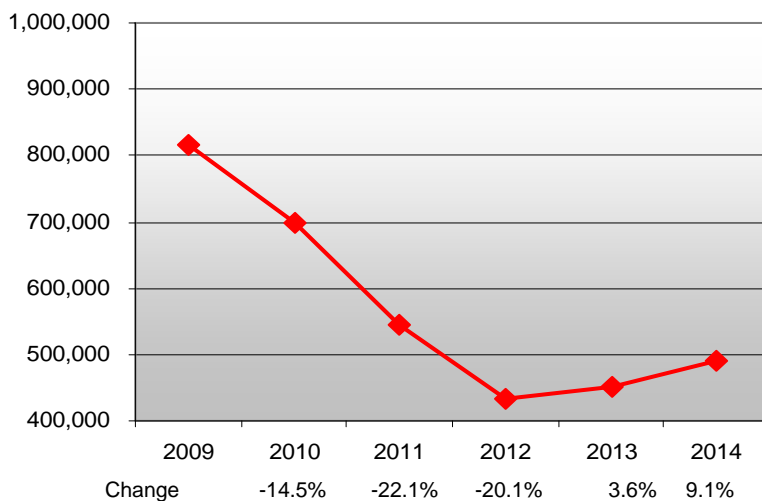
PROPOSED POSITIONS BY FTE – 4.8 TOTAL

- 1.00 Human Services Specialist
- 0.80 Director of Human Services/HHS Manager
- 1.00 Housing Program Analyst
- 1.00 Housing Specialist II
- 1.00 Senior Administrative Assistant

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 319,539	\$ 323,174	\$ 339,568	5.07%
Benefits	95,496	94,451	120,104	27.16%
Professional and Contractual	2,294	10,150	9,150	-9.85%
Materials, Supplies, and Other	14,089	22,323	22,023	-1.34%
Total Expenditures	431,419	450,098	490,845	9.05%
Revenues				
Charges for Services	35	100	100	0.00%
Net Expenditures Supported by General Revenues	\$ 431,384	\$ 449,998	\$ 490,745	9.05%

BUDGET TREND: FY2009-2014



Notes:

- Decreases in FY2010, FY2011, and FY2012 were the result of reduction of 3.85 FTE's.
- The FY2014 increase in Materials & Supplies is the result of increased costs for vehicle, copier, postage, and staff certifications.

PUBLIC ASSISTANCE PROGRAMS

Housing and Human Services provides a variety of services and programs to: foster healthy and resilient children, youth, and families; help the elderly and individuals with disabilities maintain self-sufficiency in the community; assist residents with limited English proficiency; assist individuals who are homeless; and assist families and individuals of low and middle incomes who require housing assistance to acquire or maintain their residency in the City.

Program	Benefits
Community Services Fund	Provides local grants to community organizations to meet the basic needs of City residents. Provided emergency shelter for 38 people, legal services to 32 residents, reading services for hearing impaired to 7 residents, child services for 43 households, and emergency and supportive services to meet basic needs to 66 households in FY2012.
Dept. of Family Services/Fairfax County	Provides an array of services to families and individuals, including State mandated services such as Child and Adult Protective Services and other critical services such as emergency shelter and public welfare benefits to households who do not have the resources to meet their basic needs. Conducted 24 CPS/ 3 APS investigations; maintained 62 Medicaid cases/month; provided food stamps to 13 families/month in FY2012.
Community Development Block Grant and Home Investment Partnerships (HOME) Programs	Provides grants utilizing federal funds to organizations that promote housing and community development programs to benefit low and moderate-income households. FY2012 programs served: 12 households with rental assistance; 1 households with credit counseling/homeownership counseling; 2 household with home repair; 12 households with emergency assistance; and 13 households with literacy education 13 senior households received energy efficient storm doors.
Fare Wheels	Provides \$40/month transportation vouchers to income eligible elderly and disabled individuals who need the service for shopping, doctor's appointments, etc. Provided vouchers to 48 program participants in FY2012.
Special Housing Fund	Provides rent subsidy assistance to ease the burden of high rents to low income households. Required match to receive federal HOME funds FY2012 provided assistance to 5 households.
Emergency Assistance Fund	Provides emergency financial assistance to enable households to meet urgent needs. Provided assistance to 4 households that enabled them to remain in their homes.
Rent Relief	Provides a yearly rebate on rent paid the previous calendar year to income eligible senior and/or disabled households to offset the burden of increasing rents and enable participants to maintain residence in the City. Provided 3 individuals with rent relief.

CITY VISION



DIVERSITY

GOAL	Ensure the health and welfare of citizens.
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OBJECTIVES

- Secure the necessary funding for the operation of programs and services to foster community development and promote economic diversity.

KEY PERFORMANCE MEASURES

- Continue to work with Arlington as a sub-recipient to secure CDBG/HOME funding.
- Administer the Community Services Fund to provide grants to organizations serving the demonstrated needs of City residents.
- Administer general funds dedicated to the transportation and emergency needs of residents.

- | | |
|--|--|
| <ul style="list-style-type: none"> Meet State mandated requirements and entitlement program needs of residents. | <ul style="list-style-type: none"> Maintain current contract with Fairfax County Department of Family Services, Community Services Board and Health Department. Track service requests and met/unmet needs through software tracking system. |
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STAFFING AND BUDGET RESOURCES

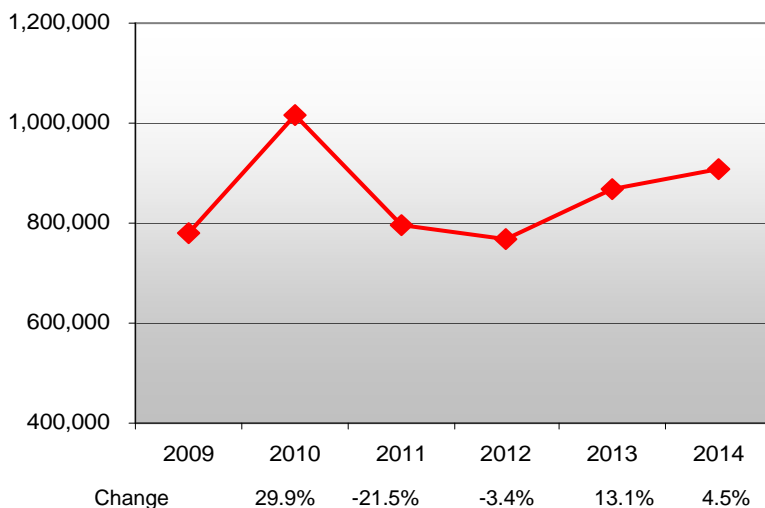
PROPOSED POSITIONS BY FTE – 0.00 TOTAL

- Programs are administered by the Housing and Human Services administration office.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	\$ 519,432	\$ 646,816	\$ 660,425	2.10%
Materials, Supplies, and Other	236,377	222,643	247,888	11.34%
Total Expenditures	755,809	869,459	908,313	4.47%
Revenues				
Federal Grants	124,994	79,623	121,036	52.01%
Charges for Services	3,740	5,000	5,000	0.00%
Total Revenues	128,734	84,623	126,036	48.94%
Net Expenditures				
Supported by General Revenues	\$ 627,075	\$ 784,836	\$ 782,277	-0.33%

BUDGET TREND: FY2009-2014



Notes:

- FY2014 contractual increase is primarily the result of higher costs for Fairfax Dept. of Family Services.
- FY2014 reflects an increase in federal funding for CDBG funds.

COMMUNITY SERVICES BOARD

The Fairfax-Falls Church Community Services Board (CSB) was created in 1969 by a joint resolution of Fairfax County and the Cities of Fairfax and Falls Church. Housing and Human Services has the responsibility of monitoring all City usage and payments. The CSB incorporates mental health, developmental disability, alcohol and drug abuse, and infant toddler connection/developmental screening programs. The goal of these programs is to provide specific services to enable City residents to meet treatment needs and to provide programs that will empower them to live self-determined, productive, and valued lives. These programs allow these residents to remain in the community and maintain family and community ties.

Program	Benefits
Mental Health Services	Provides direct services such as psychiatric assessments, prescriptions, and monitoring of medication, counseling, and treatment and emergency services. Additional vendor services, such as psychosocial rehabilitation, sheltered and transitional employment, treatment for at-risk children, supported residential services, group homes, supervised apartments, supported living arrangement and emergency shelters provide further options for residents that help them to remain in the community and reach their potential. 107 City residents served in FY2012.
Developmental Disabilities Services	Provides direct services, such as case management, behavior management, early intervention services, residential services, job placement services, and emergency services enabling residents to meet their needs, remain in the community, and become contributing members of the community. Vendor services provide further employment, vocation, and residential services to enable participants to achieve a greater degree of self-determination. 18 City residents served in FY2012.
Alcohol and Drug Services	Provides numerous substance abuse treatment, prevention, and early intervention services, including assessments, residential services, outpatient services, detoxification, case management, day treatment, aftercare, and transitional living services, making it easier for residents to receive treatment and support and alleviating the negative effects of alcohol and drug abuse on families and communities. Includes programs/staffing in City schools. 18 City residents served in FY2012.
Infant and Toddler Connection	Provides developmental disabilities services to infants and toddlers residing in the City. 29 infants were served in FY2012.

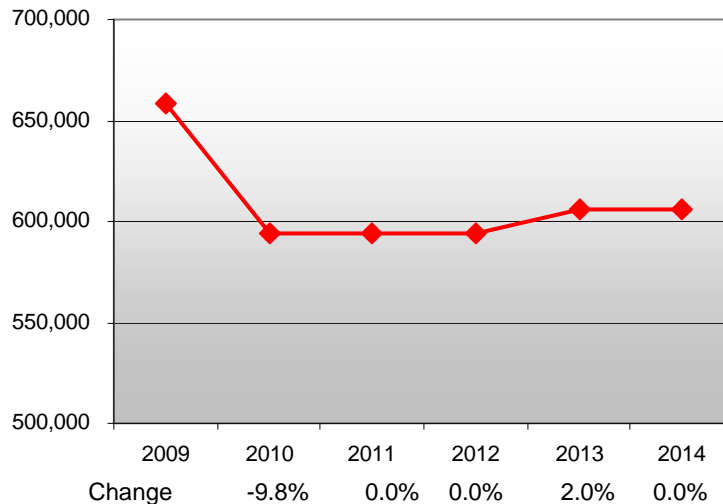
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 0.00 TOTAL

- Programs are administered by the Housing and Human Services administration office.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	\$ 593,720	\$ 605,595	\$ 605,595	0.00%
Net Expenditures				
Supported by General Revenues	\$ 593,720	\$ 605,595	\$ 605,595	0.00%

ADOPTED BUDGET TREND: FY2009-2014**Notes:**

- Cost is determined by the CSB in accordance with the contractual agreement with the City.
- FY2014, no cost increase from previous year.
- The City's annual increase for the CSB is applied at the same percentage as that of Fairfax County.

HEALTH SERVICES

The City contracts with the Fairfax County Department of Health to provide a variety of public health services to City residents and businesses. A wide range of services are provided relating to child and maternal health, senior health, communicable disease control, environmental health, and bio-terrorism. The goal of these programs is to protect the health of the residents and the community, to prevent disease, and to promote individual and environmental health.

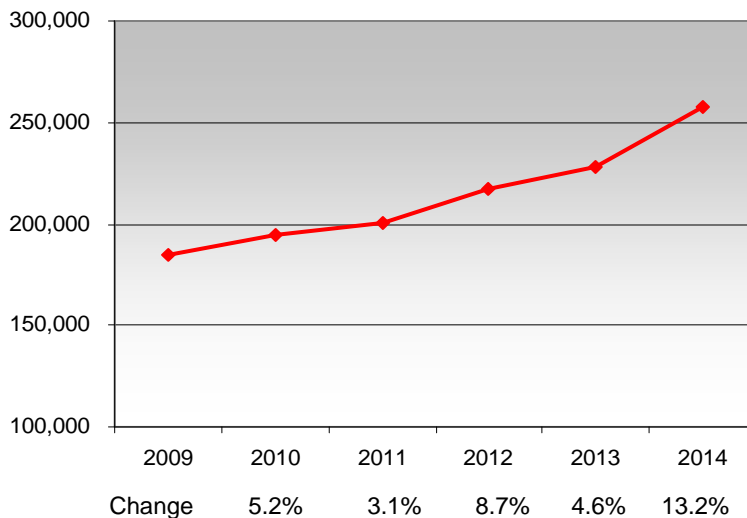
Programs	Benefits
General Health Services	Public health nurses provide health services in the community to residents to meet health needs as they occur and prevent more serious medical issues. A clinic, located on Leesburg Pike, offers immunizations, telephone health advice, flu shots, pregnancy testing, TB testing, refugee health screening, maternity services, and women and infant care. Sanitation and housing code inspections/enforcement target and remediate unsafe and unhealthy conditions, preventing exposure of residents to potentially dangerous environments. Provided approximately 382 health clinic visits and conducted approximately 446 environmental health inspections. Includes coordination of public health emergency plans and participation with regional groups for West Nile Virus and Pandemic Flu planning.
Adult Day Health Care	Provides a variety of services for impaired adults who do not need institutionalization but cannot safely live independently. The multi-disciplinary program helps clients achieve an optimal level of health, prevent further disabilities, and provide respite for family members and caregivers. Provided 164 units of day care and 205 units of rides for two residents in FY2012.
Community Health Care Network	Provides primary health care services to low-income, uninsured residents who cannot afford medical services. The clinic, which serves as an enrollee's "family provider", is conveniently located in the Bailey's Crossroad area. Services include chronic health care, family planning, wellness care, medications, laboratory tests, pre-natal care, immunizations, referrals to specialists, and more. Currently, 75 City residents are enrolled.

STAFFING AND BUDGET RESOURCES**PROPOSED POSITIONS BY FTE – 0.00 TOTAL**

- Programs are administered by the Housing and Human Services administration office.

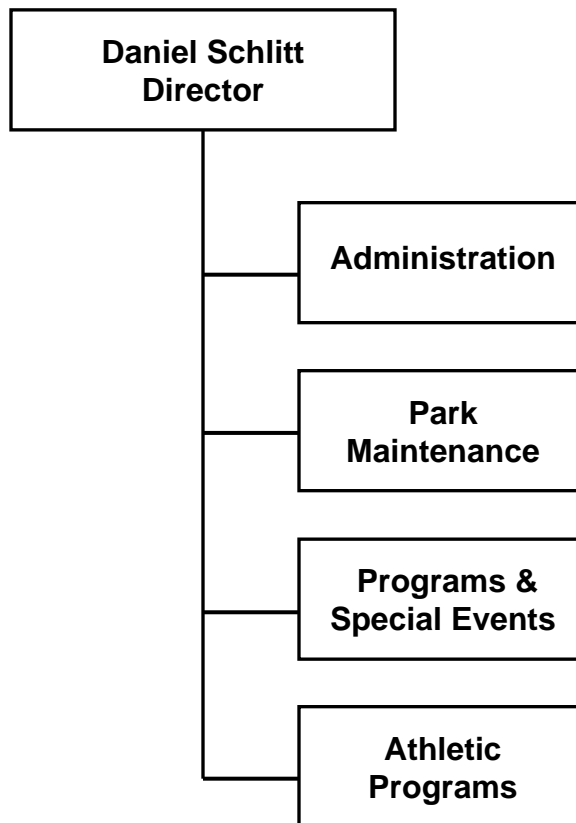
PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	\$ 211,118	\$ 227,600	\$ 257,600	13.18%
Net Expenditures				
Supported by General Revenues	\$ 211,118	\$ 227,600	\$ 257,600	13.18%

BUDGET TREND: FY2009-2014**Notes:**

- The FY2014 increase is based on the previous year's actual cost for Health Department services.

DEPARTMENT OF RECREATION & PARKS



RECREATION AND PARKS ADMINISTRATION


This Cost Center provides funding to support the administration of the Recreation & Parks Department and the supervision and management of the Falls Church Community Center, Cherry Hill Farmhouse, 12 neighborhood parks, 10 tennis courts, 10 playgrounds, and 5 basketball courts.

The Falls Church Community Center houses the administrative offices of the Recreation & Parks Department. The Center, open 357 days a year, operates more than 4,300 hours annually with an estimated 400,000 visits each year. Programs for toddlers, elementary aged children, teenagers, adults of all ages, and seniors are offered. The Community Center serves as a teen center, recreation center, senior center, entertainment center, information center, and meeting place. The Community Center continues to be a focal point of the Falls Church Community and serves as a place for town hall meetings, public forums, and local, state, and federal elections.

Over 10,000 registrations for classes, sport programs, field trips, camps and other recreation activities are processed annually. Staff also receives and processes approximately 3,500 room use requests for the Community Center, 250 picnic shelter reservations, 800 tennis court reservations, and 36,000 phone calls annually. In addition, the Department anticipates the collection of approximately \$1,720,000 a year through the assessment of user's fees for programs, activities and rentals.

For FY2014, we requested but did not get funded two digital display boards. The City has been providing community event information for over 30 years by displaying banners that span the City's two major road ways (Broad and Washington Streets). The banner hanging program has been suspended due to safety concerns. In an effort to continue to publicize City and community events, it has been determined that an alternative could be tasteful digital sign boards that cover the four major entrances to the City. These boards will enable City staff to make needed changes and update information in a safe environment. This program will be implemented over the course of two years with two boards being requested to be installed in FY2014 and two additional in FY2015. The cost to implement is estimated at \$35,000 per year.

CITY VISION

 A SPECIAL PLACE		
GOAL	Plan, develop and sustain a diversified, balanced and well-maintained system of recreation facilities and parks.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Monitor use of athletic fields, including the synthetic turf field to protect them from overuse and abuse as outlined in the Schools/City MOU. 	<ul style="list-style-type: none"> Meet monthly with school staff to ensure policies are being followed and fields are effectively being monitored. Re-write of current MOU to include the maintenance of the new ball field lights should be completed by Nov. 1, 2013. 	
<ul style="list-style-type: none"> Work in cooperation with the Recreation & Parks Advisory Board to establish priorities for Park Master Plan Implementation. 	<ul style="list-style-type: none"> Continue execution of approved master plan implementation projects to include the Lincoln Park and the sport court surfaces in our parks. 	
<ul style="list-style-type: none"> Work with the Recreation & Parks Advisory Board to complete the annual open space report. 	<ul style="list-style-type: none"> Complete report by November 30, 2013. 	
GOAL	Provide administrative support for the Recreation & Parks Department staff and programs to include program registration, building maintenance and procurement of goods and services for program and facility operations.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Process requisition requests and coordinate vendor payments with Finance. 	<ul style="list-style-type: none"> 100% Supplies and services for facilities and programs have Purchase Orders at least one week in advance of when they are procured. 100% of vendor invoices are submitted to Finance 	

<ul style="list-style-type: none"> Ensure online registration process continues to be user friendly. 	<p>Department within one week of receiving them.</p> <ul style="list-style-type: none"> Continue to work with the City's IT Support provider to ensure that all upgrades that help enhance the online registration process, issued by the software provider are installed within 6 months of initial offering. At least 95% of class participants and residents rate the online registration process as good or excellent.
<ul style="list-style-type: none"> Encourage and facilitate staff training and development. 	<ul style="list-style-type: none"> Ensure that staff continues to be engaged in the Virginia Recreation and Parks Society's Northern Service area, by having a minimum of one staff member present for monthly meetings.
GOAL	Establish and ensure fees are competitive and will offset at least 45 percent of the Department's operating expenses (excluding park maintenance and capital expenses).
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Complete new contractor/City fee structure to include a 70/30 split on all registration fees. 	<ul style="list-style-type: none"> Complete all contracts in time for Summer programs to begin. Fees should be within 10% of the average of surrounding jurisdiction's rates.
<ul style="list-style-type: none"> Collect revenues to ensure maximum return on City's investments. 	<ul style="list-style-type: none"> At least 45% of the Department's operating expenses (excluding park maintenance and capital expenses) are offset by the fees collected, in accordance with City policy. Monitor facility and equipment rentals to ensure that 95% of rentals are processed within five working days following its receipt, and 90% of fees are collected prior to the rental. Daily, monthly and annual fiscal reports will be completed accurately and in a timely manner.

STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 5.80 TOTAL

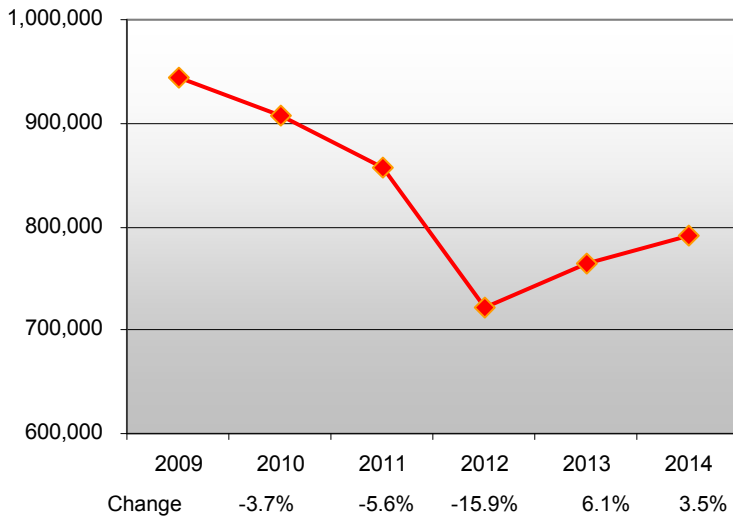
- 1.00 Director of Recreation and Parks
- 1.00 Senior Administrative Assistant

Temporary seasonal labor is also used as needed.

- 1.00 Administrative Assistant
- 2.80 Maintenance Workers

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 364,094	\$ 386,952	\$ 396,431	2.45%
Benefits	107,721	111,915	120,729	7.88%
Professional and Contractual	24,039	39,200	52,510	33.95%
Materials, Supplies, and Other	189,720	200,255	221,709	10.71%
Capital Outlay	-	24,000	-	-100.00%
Reserves	-	2,400	-	-100.00%
Total Expenditures	685,574	764,722	791,379	3.49%
Revenues				
Charges for Services	35,253	46,000	34,300	-25.43%
Other Grants and Contributions	21,848	-	-	0.00%
Total Revenues	57,101	46,000	34,300	-25.43%
Net Expenditures				
Supported by General Revenues	\$ 628,473	\$ 718,722	\$ 757,079	5.34%

BUDGET TREND: FY2009-2014**Notes:**

- During FY2010, the following funding was eliminated:
 - \$23,350 for the supervision of the Community Center and Special Events; painting and minor repairs at the Community Center and the printing of seasonal recreation program brochures.
- In FY2011, the following funding was eliminated:
 - \$16,500 was reduced as the hours of operation for the Community Center were reduced and a custodian position's hours were reduced.
- In FY2012, the following funding was eliminated:
 - \$153,000 for the elimination of the Deputy Director position and the savings to be realized by having the Community Services General Manager position renamed and reclassified to the Director of Recreation.
- In FY2012, the following funding was added:
 - \$19,150 for credit card fees and mailing and production of seasonal brochure.
- The FY2014 budget for Recreation & Parks Administration will remain relatively flat as compared to FY2013 and has not had any major changes since FY2012.

PARKS MAINTENANCE


This Cost Center provides funding to support the maintenance of parks, park trails, athletic fields, park and playground equipment, outdoor recreational facilities, and turf in parks and around public buildings. These funds are used to enhance the appearance of the public parks and grounds, make them safe to use, and aid in the protection of the City's natural resources through an effective maintenance program.

Over the past few years, Park Master Plans have been adopted for all of the City's parks. As part of the implementation of Master Plans some new playground equipment has been added over the last couple years. Maintenance of the equipment is the responsibility of the park maintenance crew. While some CIP funding has been added to the budget we must continue to work towards some form of operating reserve funds in order to fund projects that do not qualify for CIP funding.

The staff of the park maintenance crew repairs and paints signs and park equipment as needed; removes trash from parks and public grounds; maintains and prepares fields for athletic events; maintains trails through City parks; removes snow from City-owned sidewalks; and provides assistance to the urban forestry division as needed. The crew also helps with the setup and breakdown for all City special events. In addition, the crew conducts at least 75 annual inspections of each piece of playground equipment.

Private contractors are used to augment the maintenance of the City's parks and grounds. The City uses contractors for some turf maintenance, and the maintenance of the athletic fields at Larry Graves Park, Thomas Jefferson Elementary School and Madison Park. Using private contractors saves the City the expense of purchasing large pieces of equipment.

CITY VISION

 ENVIRONMENTAL HARMONY		
GOAL	Ensure the City's parks and athletic fields are well maintained, attractive and safe for all users.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Athletic fields are safe and ready for use by teams and individuals as weather permits and as outlined in City's Field Use Policy. 	<ul style="list-style-type: none"> Retain contractor to maintain the athletic fields and make sure the level of maintenance is sufficient to assure fields are ready and safe for use throughout the playing season. Athletic fields are ready for use by teams and leagues each day a game is scheduled 100% of the time. 	
<ul style="list-style-type: none"> Playground and park equipment are safe. Have parks Crew Leader obtain Certified Playground Safety Inspection certification 	<ul style="list-style-type: none"> Complete and document 75 annual play equipment inspections. Address all safety issues the same day they are identified. Crew Leader must take necessary classes and obtain CPSI certification. 	
<ul style="list-style-type: none"> Assure parks and athletic fields are cleaned and ready for public use in a timely manner. 	<ul style="list-style-type: none"> Parks are clean and safe 100% of the time. Trash cans in parks are emptied and litter picked up at least every other day from March through October and twice a week the rest of the year. No complaints from users. 	

GOAL	Provide a diverse blend of parks, and park facilities, including community and neighborhood parks, natural resource open space areas and linkages, to adequately meet active and passive outdoor recreation needs of the citizens of Falls Church.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Participate with the Department of Development Services and the Department of Public Works to continue to offer ongoing support for the Pedestrian, Bicycle and Traffic Calming Strategic Implementation Plan. 	<ul style="list-style-type: none"> Be available to help in any new initiatives put forward by key staff involved in all pedestrian, bike, and traffic calming plans in the future. 	
<ul style="list-style-type: none"> Continue to work with the Advisory Board of Recreation and Parks to develop a plan and timeline for implementing projects for the funding available for Master Park Plan Implementation. 	<ul style="list-style-type: none"> Complete already approved projects and provide monthly updates to the Advisory Board. Continue to reevaluate and prioritize initiatives for the implementation plans with an updated set of goals to be available by November 2013. 	
<ul style="list-style-type: none"> Complete timeline for implementation of park construction projects, to include West End Park construction phase. 	<ul style="list-style-type: none"> Prepare and release IFB for West End construction project by winter 2013. Selection of contractor for project by end of spring 2014. Begin construction by fall of 2014. 	

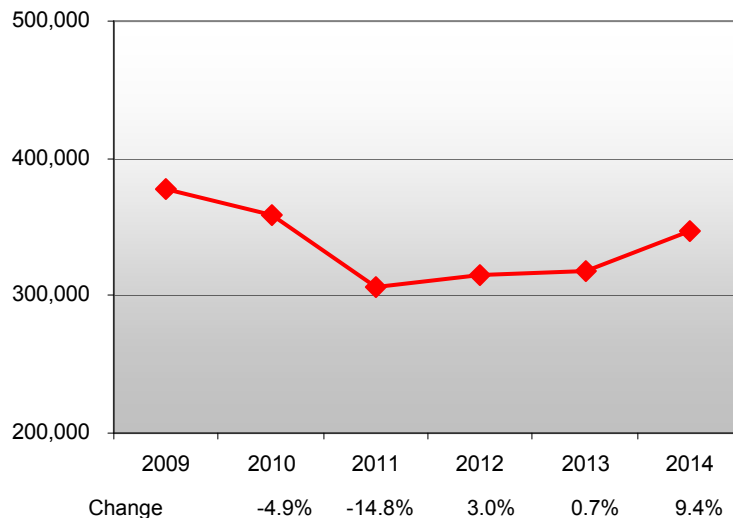
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 3.00 TOTAL

- 1.00 Senior Crew Leader
- 2.00 Maintenance Workers

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 121,301	\$ 115,624	\$ 124,648	7.80%
Benefits	59,500	58,260	69,132	18.66%
Professional and Contractual	77,871	107,000	115,400	7.85%
Materials, Supplies, and Other	25,889	36,536	38,036	4.11%
Net Expenditures				
Supported by General Revenues	\$ 319,333	\$ 317,420	\$ 347,216	9.39%

BUDGET TREND: FY2009-2014**Notes:**

- The following funding was eliminated from FY2010:
 - \$8,000 for park repairs and maintenance;
 - \$9,000 for two part-time temporary workers during the summer season; and
 - \$8,000 for materials and supplies.
- In FY2011, \$50,000 of funding for mowing of parks, city properties and athletic fields transferred to the Operations Division.
- In FY2012 the following funding is eliminated:
 - \$2,000 for turf maintenance in the parks
 - \$1,000 for park equipment replacement
- The reduction in salaries in FY2013 is due to turnover; no staff reduction was made. In FY2013, we also added the following:
 - \$28,000 to repairs & maintenance
 - \$7,000 to operating supplies
- In FY2014, the following was added:
 - \$8,400 to the turf maintenance at Thomas Jefferson and Madison Park.

RECREATION PROGRAMS AND SPECIAL EVENTS

This Cost Center provides funding to support offering a wide variety of recreational programs, activities, hobby classes and special events for citizens of all ages and interest levels. Activities, special events and programs at the Community Center, Cherry Hill Park, Teen Center, Senior Center and Cherry Hill Farmhouse all are funded within this cost center.

The Teen Center staff provides a variety of activities, programs and special events for teens. Teen staff also continues to be an active member of the Alliance for Youth, which includes the City's 1-2-1 Mentoring Program. Monthly attendance at Teen Center offered activities exceeds 150 youths per month.

At the Senior Center, staff provides an array of activities, programs and special events for senior citizens. Annual offerings at the Senior Center include approximately 55 special events, 1100 programs and activities, and 50 bus trips. Staff also works on the Northern Virginia Senior Olympics committee.

At the Cherry Hill Farmhouse, staff provides tours, programs, special events, and interpretative activities focusing on the period of the mid to late 1800's. Each year at least 20 special events, 125 tours and three youth camps are held at the Farmhouse. In addition, the house is rented approximately 10 times a year and used for City functions on a regular basis.

The award winning Falls Church Farmers Market continues to thrive, attracting residents and non-residents alike on Saturdays rain or shine. Total vendors vary according to season attracting anywhere from 25 in the winter to as many as 50 in the growing season.


The Community Center serves as the focal point for an extensive offering of recreational, hobby and exercise classes. Each year more than 550 classes are offered to citizens, including classes such as ballet, watercolor painting, yoga, aerobics, cooking and tennis.

Staff also provides a summer playground program for children as well as offering over 150 summer camps, covering activities such as mountain biking, fishing, outdoor excursion camps, horseback riding, and other popular outdoor related activities. Indoor or sport related camps include art, theatre, chess, cooking, and dance, to go

along with all the popular sport specific camps. Summer and school break camps registrations currently exceed 5,000, and bring in over one half million in revenues annually to the City of Falls Church.

Annual special events help to define the Falls Church community, including the Memorial Day Festival, Farm Day, Fall Festival and Taste of Falls Church, Holiday Craft Show, Halloween Carnival, Art Show, Easter Egg Hunt, and Sunset Cinemas. In addition, the Department helps co-sponsor the summer Concert's in the Park, Watch Night and the Tinner Hill Blues Festival. More than 50,000 people attend the special events.

CITY VISION

 A SPECIAL PLACE	
GOAL	Provide a comprehensive offering of recreation programs, activities and special events that meet the social, physical and cultural interests of the City's residents.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Increase awareness, educate on the benefits of buying local as well as provide local farmers market information. 	<ul style="list-style-type: none"> Create and publish a brochure to be handed out at designated information area of the Farmers Market. Information brochure should be ready for distribution by Fall 2014.
<ul style="list-style-type: none"> Attract at least eight marching bands for the annual Memorial Day Parade. 	<ul style="list-style-type: none"> Eight or more marching bands participate in the Memorial Day Parade.
<ul style="list-style-type: none"> Increase attendance at the Sunset Cinemas. 	<ul style="list-style-type: none"> Improve publicity and assure popular movies are shown.
<ul style="list-style-type: none"> Celebrate community diversity through the support of the Tinner Hill Blues Festival. 	<ul style="list-style-type: none"> Serve on the organizing committees for the event. Provide staff resources as needed and requested to support the event.
<ul style="list-style-type: none"> Provide a wide variety of summer camps, classes and programs for children. 	<ul style="list-style-type: none"> Include a new "specialty offering" to the camp and summer class brochure for the summer of 2014.
<ul style="list-style-type: none"> Maximize the use of the Community Center class rooms. 	<ul style="list-style-type: none"> At least 60% of the recreational hobby classes shall meet the minimum enrollment requirement. Book the art room and ballet studio for fee-based recreation classes 80% of the prime class time which is week day mornings, afternoons and evenings; and all day Saturday. At least 90% of the summer camps shall meet minimum enrollment requirements. At least 85% of program and class participants rate services as satisfactory or above.
<ul style="list-style-type: none"> Provide three sessions of recreation classes each year. 	<ul style="list-style-type: none"> Offer a fall, winter/spring and summer session of classes, with at least 200 classes in each.
<ul style="list-style-type: none"> Provide a wide variety of activities, programs and special events at Cherry Hill Farmhouse. 	<ul style="list-style-type: none"> Hold at least 20 special events each year at the farmhouse. Conduct 100 tours of the farmhouse each year.
<ul style="list-style-type: none"> Provide an assortment of activities, field trips, dances and special events for teens. 	<ul style="list-style-type: none"> Sponsor at least 24 special events and programs each year for teens.
<ul style="list-style-type: none"> Provide an assortment of activities and special events in the senior center. 	<ul style="list-style-type: none"> Hold at least 24 special events each year in the senior center. Take at least 24 field trips each year.

GOAL	Raise at least \$20,000 in sponsorship money from businesses and individuals for special events.	
OBJECTIVES		KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Make needed changes to the overall recruiting process in regard to sponsorships. The trend has moved towards more mid level sponsorships as opposed to one or two large contributors. 		<ul style="list-style-type: none"> Redesign Holiday Craft Show to make it more appealing to vendors and patrons alike. Implement new changes for the 2013 Holiday Craft Show. Create a more attractive sponsorship opportunity to local businesses in the area to encourage sponsorships as opposed to applying as a vendor. Implement for FY2014 special events.

STAFFING AND BUDGET RESOURCES

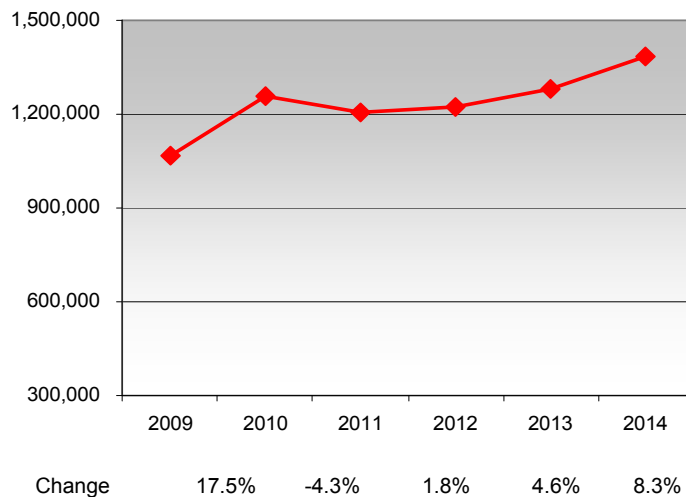
PROPOSED POSITIONS BY FTE – 5.30 TOTAL

- 3.00 Program Supervisors
- 0.80 Preschool Director
- 1.50 Recreation Specialists

Temporary seasonal labor is also used as needed.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 397,004	\$ 421,786	\$ 424,865	0.73%
Benefits	122,681	130,355	134,197	2.95%
Professional and Contractual	633,699	580,000	660,000	13.79%
Materials, Supplies, and Other	126,539	128,487	148,050	15.23%
Total Expenditures	1,279,923	1,260,628	1,367,112	8.45%
Revenues				
Charges for Services	1,342,195	1,250,000	1,309,500	4.76%
State Grants	-	-	-	0.00%
Other Grants and Contributions	-	-	6,500	-
Total Revenues	1,342,195	1,250,000	1,309,500	4.76%
Net Expenditures				
Supported by General Revenues	\$ (62,272)	\$ 10,628	\$ 57,612	442.08%

BUDGET TREND: FY2009-2014**Notes:**

- The increase in FY2009 was due to the inclusion of program costs that were previously netted against revenue.
- Changes in FY2010 included the following:
 - An increase of \$230,000 in instructor fees as a result of additional classes and camps being offered. This increase was offset by an increase in revenues.
 - Elimination of \$11,800 in funding for the position of the temporary Food Service Coordinator for the Senior Center.
- In FY2011, funding of \$12,500 for special events and Watch Night was eliminated.
- In FY2012, funding of \$5,000 for teen and senior citizen bus trips was eliminated.
- In FY2013, funding for a new passenger van for \$24,000 was included in the budget.
- In FY2014, we added \$83,500 to instructor fees as our classes and camps are becoming more well-attended.

ATHLETIC PROGRAMS

This Cost Center provides funding to support a substantial number of individual and team sports programs and activities for residents of all ages. Youth team sports include soccer, flag football and basketball for boys and girls. Individual sports activities include fall/summer tennis tournaments, and a track meet. Team sports for adults include coed volleyball, coed softball, coed soccer and men's basketball.


Greater emphasis continues to be placed on providing sports activities for children as young as three years of age. Contracted sport specific clinics are held seasonally and currently over 250 children three years and younger are being served by these programs.

Staff ensures that coaches of the youth sports teams are trained and better equipped to work with young people. All coaches have access to sport specific coaching programs through the Recreation Department. Additionally, background checks are conducted for all coaches as one way of assuring the safety of participants.

Youth sport participation continues to grow. Winter basketball now attracts more than 800 participants each year. More than 400 girls participate in the summer basketball program. The spring and fall soccer programs feature more than 350 participants for each season. Flag football has over 300 participants each fall. The individual sports tournaments attract more than 50 participants each year. Staff is also involved in helping the Falls Church Lacrosse Program get field space and continues to work with a group offering girls field hockey, a roller hockey program, and a wrestling club.

Adult team sports attract more than 600 men who play basketball in the City's three basketball leagues and almost 200 men and women play softball and volleyball. The tennis tournaments attract more than 25 participants each year.

CITY VISION

 A SPECIAL PLACE	
GOAL	Provide a wide variety of individual and team recreational sports programs for youth and adults to meet the active recreational needs of the City's residents.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Provide adult coed soccer, volleyball and softball program. 	<ul style="list-style-type: none"> Have at least 4 teams participating in the coed soccer program. Have at least 4 teams participating in the coed volleyball program. Have at least 14 teams participating in the coed softball program.
<ul style="list-style-type: none"> Provide an adult men's basketball program in the summer, winter and fall. 	<ul style="list-style-type: none"> Have at least 20 men's basketball teams sign up for each of the three seasons of basketball, summer, winter, and fall.
<ul style="list-style-type: none"> Work with the Falls Church Lacrosse league to assure they have adequate field space and are able to use the stadium field at George Mason High School for their games. 	<ul style="list-style-type: none"> Ensure Falls Church Lacrosse has adequate space.
<ul style="list-style-type: none"> Work with Fairfax County to assure the City continues to receive the same amount of field space and gym space in FY2014, as it has in the past, for use by the various youth sports teams. 	<ul style="list-style-type: none"> Use of Fairfax County athletic facilities remains constant.
<ul style="list-style-type: none"> Provide youth football, soccer and basketball programs. 	<ul style="list-style-type: none"> Provide a youth flag football program in the fall with at least 275 children participating. Provide a spring and fall youth soccer program with at least 350 participants each season. Provide a youth basketball program with at least 650 participants each season. Assure that all volunteer coaches have access to sport specific training programs. At least 60% of all volunteer coaches are retained from year to year. At least 95% of coaches are recruited before the individual athletic season begins.

STAFFING AND BUDGET RESOURCES

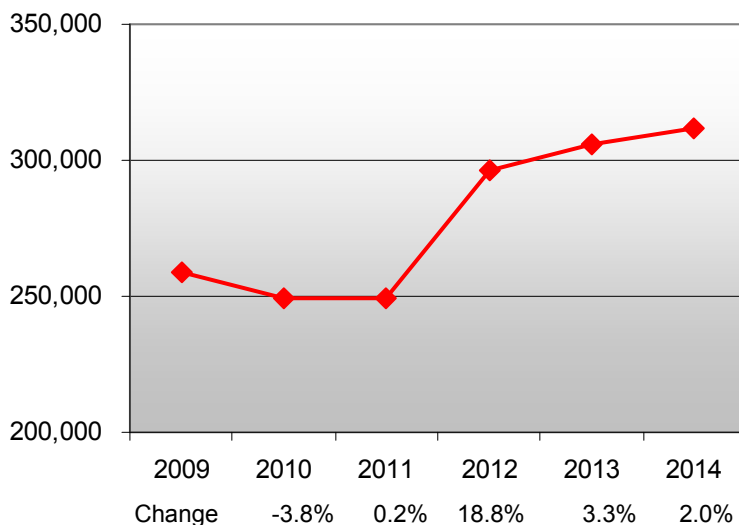
PROPOSED POSITIONS BY FTE – 1.00 TOTAL

- 1.00 Program Supervisor

Temporary seasonal labor is also used as needed.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 83,656	\$ 85,127	\$ 87,100	2.32%
Benefits	16,750	17,950	19,443	8.32%
Professional and Contractual	85,786	96,000	92,000	-4.17%
Materials, Supplies, and Other	104,010	107,000	113,500	6.07%
Total Expenditures	290,202	306,077	312,043	1.95%
Revenues				
Charges for Services	360,164	324,000	349,700	7.93%
Net Expenditures				
Supported by General Revenues	\$ (69,962)	\$ (17,923)	\$ (37,657)	110.10%

BUDGET TREND: FY2009-2014**Notes:**


- The following funding was eliminated from FY2010:
 - \$4,000 for gym supervisors
 - \$6,000 for materials and supplies
 - \$6,000 reduction in referees' fees for sports leagues
- In FY2012, the following funding was added:
 - \$19,000 for increased officiating fees
 - \$19,500 for increased payments to Arlington and Fairfax Counties for sports user fees
 - \$5,500 for sports program supplies
- In FY2013, the following funding is added:
 - \$5,000 for increased officiating fees
 - \$4,000 for franchise fees
- In FY2014 the budget for Athletic Programs has remained relatively flat.

COMMUNITY ARTS AND CULTURAL PROGRAMS

This new Cost Center provides funding to support grants that provide financial support for special projects, events, and work supporting the arts, theatre, culture and history in the City of Falls Church. This effort implements the Council Resolution 2009-36 establishing the arts district and humanities council known as CATCH (City of Arts, Theatre, Culture and History). Specifically, this program leverages resources, manages a grants program, administers designated annual event funding and other designated purposes related to bringing the best in arts and humanities programming to the City of Falls Church citizens. In FY2013 Council appropriated \$20,000 for a local arts and culture grant program. It also houses the FY2014 one time state provided funding for community development and revitalization. The \$50,000 funding was awarded to the City of Falls Church for the South Washington Street Arts District, Tinner Hill Historic District and Creative Cauldron at ArtSpace Falls Church specifically geared towards community development and revitalization.

For FY2014, we requested but did not get funded \$20,000 to double the funding for a popular grant program designed to encourage and increase awareness in the City's cultural arts program. The City currently funds this program at \$20,000 per year.

CITY VISION

 A SPECIAL PLACE	
GOAL	To administer and provide oversight of the grant money recommended by The Little City CATCH Foundation (TLCCF), a 501 (C) (3) not for profit spin off of CATCH, and further the City's humanities council, CATCH charter.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> TLCCF awards grant money annually. 	<ul style="list-style-type: none"> All amounts are awarded to recipients as recommended by TLCCF members.
<ul style="list-style-type: none"> Evaluate CATCH Foundation grant program annually to determine best practices for future grant distribution. 	<ul style="list-style-type: none"> Prepare and distribute an evaluation form within two months of the awards grant process. All previous year awardees will be required to complete the form.

STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 0.00 TOTAL

This program is currently staffed on as needed basis by employees of the Department.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Materials, Supplies, and Other	\$ -	\$ 20,000	\$ 70,000	250.00%
Total Expenditures	-	20,000	70,000	250.00%
Revenues				
State Grants	-	-	50,000	-
Net Expenditures				
Supported by General Revenues	\$ -	\$ 20,000	\$ 20,000	0.00%

DEPARTMENT OF LIBRARY

Mary McMahon
Director

FY2014 SUMMARY OF CHANGES FOR DEPARTMENT

This department provides library services to the citizens of Falls Church and has reciprocal borrowing agreements with libraries whose jurisdictions are members of the Council of Governments (COG). It promotes open access to reading, educational, recreational, cultural, intellectual, and informational resources that enrich and enlighten all segments of the community. Its collection contains more than 146,000 items and encompasses all formats: books, periodicals, CDs, DVDs, audio-books, ebooks, and eaudiobooks. There are 16 public Internet workstations, six online catalog stations, one educational CD-ROM station in the Youth Services area, and the building is entirely wireless accessible. There are two book returns available to the public 24/7: one is a drive through, and the other is located near the front doors. Patrons can renew or reserve materials online, receive overdue and reserve notices via e-mail, and be alerted via e-mail when library items are coming due. A copier is available for use by the public for a small fee, and time and print management software helps Internet usage flow easily. Inter-library loan services are available for the citizens of Falls Church. There are four weekly story hours for children, and special programs are held throughout the year. Last year 577 programs were held with 15,761 people attending them. The library joined with eight community sponsors to promote the annual summer reading program and over 1,200 children and teens participated—a new record! During its annual “Food for Fines” program, 923 items were collected and donated to local food banks in lieu of fines for the week. Over 10,700 City residents are registered and active library users. Circulation last year increased by almost 4% over the previous year despite the reduced operating hours and the number of library visits by patrons increased by 8%, or 307,466 visits for the year. Last, but certainly not least, the library was chosen for the fifth year in a row as a Star Library in a national ranking index of over 13,000 public libraries – one of only three in Virginia and one of only two that has been selected five times in Virginia.

In order to come within the limitations of a 3.2% growth in the library's FY2014 budget, \$34,736 had to be cut from the operating expenditures. Monies were reduced or shifted among various line items to meet budget guidelines, which resulted in increases to some lines as a result of inflation costs and decreases in others. A summary includes:

- Library books were reduced by \$13,506.
- Reductions occurred in Repairs/Maintenance, Maintenance Service contracts, Electrical Services, Postal Services, Credit Card fees, Travel Conferences/Education, Dues/Association Memberships, Repair/Maintenance Supplies, and Other Operating Supplies for a total amount of \$3,980.
- Library furniture and equipment was completely eliminated: \$9,250.
- Library computer equipment was completely eliminated: \$8,000.
- There was no reinstatement of library operating hours or Local History and no replacement of lost staff.

For FY2014, we requested but did not receive funding for the following items:

- \$13,500 to increase the book budget that was cut
- \$6,000 to purchase an RTI disc cleaning machine that extends the life of DVDs, CDs, and audiodiscs
- \$10,000 to increase the e-audiobook collection
- \$5,000 to increase the eBook collection for youth titles

Even though the overall library budget grew, operating funds were cut to meet the budget guidelines and there was no restoration of staff or operating hours. However, circulation, library visits, programming, and patron demands and use continue to grow as does the population of the City, especially its youth which are extremely active users of the library. Technological innovations continue in libraries, but we are unable to take advantage of them due to elimination of equipment and computer monies, and the aging infrastructure and heavy use of the physical facility present continued challenges.

CITY VISION



INNOVATION

GOAL	Continue to develop the administrative automation system which provides the basic core library services of an online catalog, checking in and out of materials, and hold processes for the benefit and use of the public that keeps pace with technological advances/needs.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> • Introduce a limited number of downloadable magazine subscriptions for the public. • Continue to purchase and promote ebook resources. • Provide programs for the public on how to access electronic resources. • Investigate reference items in digital format for possible purchase. 	<ul style="list-style-type: none"> • Purchase approximately 100 titles of downloadable magazines to promote the new service to patrons by August 2014. • Staff is able to help patrons with instruction on how to access downloadable electronic resources by the end of June 2014. • Host instructional programs (based on demand) for the public on how to access and download digital formats through the end of June 2014. • Meet with digital reference representatives, view webinars related to the topic, and decide on possible purchase of some items by March 2014. 	



NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE

GOAL	Provide excellent customer service to patrons.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> • Solicit patron feedback via a survey to determine how well the library is providing services no later than June 2014. 	<ul style="list-style-type: none"> • Provide a minimum of 500 surveys in the library for patrons to fill out and post a survey on the library's website by April 2014. • Tally and post results to the survey by the end of June 2014. • Have an overall satisfaction rating of 95% or better from patrons from the survey. 	
<ul style="list-style-type: none"> • Increase digital access to the Local History collection. 	<ul style="list-style-type: none"> • Convert audio oral history tapes to digital recordings by June 2014. 	
<ul style="list-style-type: none"> • Expand community partnerships between the library and the schools and agencies serving youth. 	<ul style="list-style-type: none"> • Attend the PTA information night and provide library information for parents by the end of September 2013. • Promote Summer Reading Program to grades K-7 at Thomas Jefferson Elementary School, Mount Daniel Elementary School, and Mary Ellen Henderson Middle School by speaking to at least 1,000 children by June 2014. • Host a Thomas Jefferson Elementary School art display by April 2014. 	
<ul style="list-style-type: none"> • Process new materials in a timely manner for the public. 	<ul style="list-style-type: none"> • Catalog 95% of all new materials within one month of arrival. 	

STAFFING AND BUDGET RESOURCES

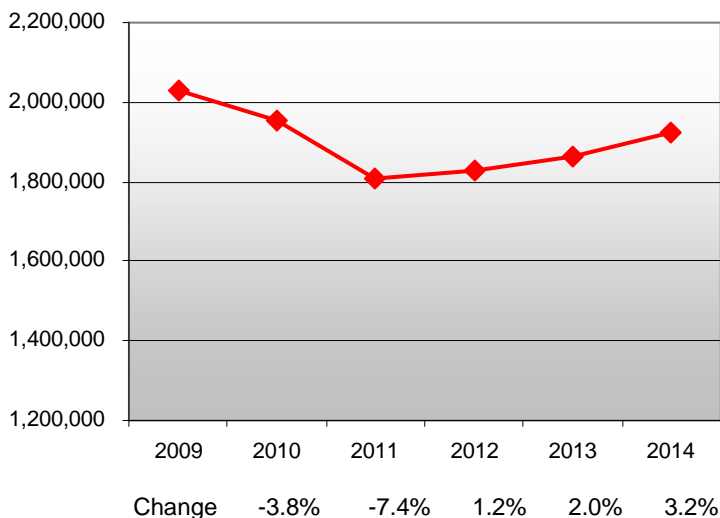
PROPOSED POSITIONS BY FTE –17.85 TOTAL

- 1.00 Library Director
 - 1.00 Youth Services Supervisor
 - 2.50 Librarians
 - 7.15 Library Assistants
 - 1.00 Circulation Supervisor
 - 1.00 Technical Services Supervisor
 - 1.00 Reference Services Supervisor
 - 1.00 Senior Administrative Assistant
 - 0.60 Automation Application Specialist
 - 1.00 Custodian
 - 0.60 Senior Library Page
- Temporary workers are also used as Pages.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 1,010,018	\$ 1,076,808	\$ 1,125,430	4.52%
Benefits	318,422	342,320	388,091	13.37%
Professional and Contractual	54,150	52,825	48,660	-7.88%
Materials, Supplies, and Other	362,123	375,067	361,746	-3.55%
Capital Outlay	-	17,250	-	-100.00%
Total Expenditures	1,744,714	1,864,270	1,923,927	3.20%
Revenues				
State Grants	138,522	133,648	137,972	3.24%
Charges for Services	8,132	7,200	7,000	-2.78%
Fines	46,769	45,000	45,000	0.00%
Other Grants and Contributions	35,705	-	-	0.00%
Total Revenues	229,128	185,848	189,972	2.22%
Net Expenditures				
Supported by General Revenues	\$ 1,515,586	\$ 1,678,422	\$ 1,733,955	3.31%

ADOPTED BUDGET TREND: FY 2009-2014



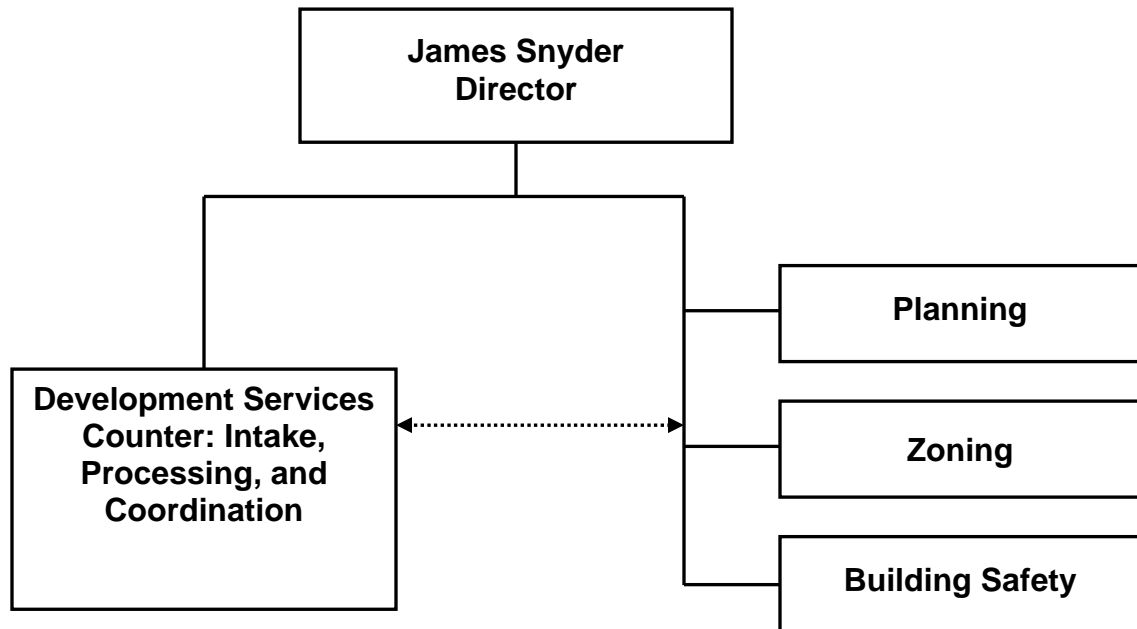
Notes:

For FY2014, the following are the major changes in the library's budget:

- Decrease in the book budget.
- Elimination of all monies in Furniture and Equipment and Computer Equipment.

DEPARTMENT OF DEVELOPMENT SERVICES

ORGANIZATIONAL CHART



PLANNING DIVISION

The Planning Division guides the long-term land use policies for the City as well as conducting development review for all new development proposals in the City. The Planning Division has a key role in the City's future as the author of the City's long-term land use and policy document for the future, the Adopted Comprehensive Plan, fully updated in late 2005 and scheduled for review/update beginning in 2010. The Plan is the road map for the City's future over the next 30 years. The Division also works to facilitate economic development while ensuring that land use, environmental, and historic preservation regulations are met. The staff receives, reviews, and processes approximately 25 major development applications per year and also provides detailed technical assistance to the City's appointed planning policy board – the Planning Commission. Staff provides written reports, summaries and oral presentations at more than 100 Planning Commission, City Council, and other Board and Commission meetings and work sessions each year, including the Citizen's Advisory Committee on Transportation, the Historic Architectural Review Board, The Historical Commission, the Economic Development Authority, the Economic Development Committee and the Architectural Advisory Board. Staff provides routine professional advice to the City Manager, City Attorney, City Council and Planning Commission on a wide variety of planning, development, regulatory and policy matters.

Staff further provides immediate and consistent advice and assistance to more than 5,000 City property owners, residents, business owners and interested developers annually with regard to planning, land use and development. The Development Services Counter staff provided high quality assistance to over 3,600 in-person visitors, answered approximately 4,600 phone calls and issued approximately 1,600 permits. In addition, Staff processed Historic Architectural Review Board applications and the survey update for all protected properties to verify compliance and upkeep. The Planning Division is also responsible for a wide variety of special projects that include the comprehensive rewrite of the Zoning Code to make the document more useable and clear. The Division is working on up to 30 other special projects involving City Center, North Washington Street Streetscape

implementation, Pedestrian and Traffic Calming Plan, East Falls Church Study (with Arlington County), development fee schedule update, green development policy, design review, economic development, demographic forecasting, Census 2010, environmental issues, fiscal impact modeling, geographic information systems, process improvement, land use, and transportation planning.

The Department is responsible for the City's Transportation Planning Program. This work includes extensive coordination with numerous City and Regional groups such as NVTC, NVTa and VDOT. Major projects include the Pedestrian, Bicycle and Traffic Calming Strategic Implementation Plan; Safe Routes to School, the Inter-modal Transportation Plaza, the South Washington Street study; and the Route 7 transit study. Implementation includes managing and coordinating construction of more than 8 million dollars worth of street and sidewalk improvements during the next five years.

Planning Division costs are driven by providing staff support for the City's Boards, Commissions, and Committees as well as performing studies, ongoing project reviews, and coordinating with Northern Virginia, Commonwealth, and regional planning organizations on land use and transportation matters. Intensive, long-term projects such as the zoning ordinance rewrite were undertaken with the assistance of consultants and contracted services, managed by planning staff. In this budget cycle, hard costs have also been reduced in this division, including requests for office supplies, travel, and training and dues with no net gain but refocused funding for professional - services, to support comprehensive area planning. Funding has been preserved in the budget to ensure that staff is able to manage its workload, retain professional certifications, appropriately administer division projects, and continue to demonstrate a strong commitment to engaging the community in the planning process.

In FY2013, two new Planners were included in the budget to add capacity for small area plans and updating the 2005 Comprehensive Plan. The City has committed to develop detailed small area plans for the eight opportunity areas identified in the 2005 Comprehensive plan. These plans will provide a vision, analysis and recommendations for the future development of these key commercial and industrially zoned areas. Staff analysis during the past year revealed that these areas are under-developed with a low FAR. The land is worth considerably more than the buildings and many sites contain automobile oriented uses and produce fewer taxes for the City of Falls Church. New small area plans are a key method of attracting appropriate redevelopment that will build the city's tax base with high quality office, retail and mixed use development.

One of these planners is also a GIS specialist who drafted the North Washington Street Small Area Plan. With each plan taking a minimum of six months, the small area planning process will take approximately four years total. The new Planner position has also coordinated multiple projects with several departments including Economic Development, HHS, Police and CMO. Approximately 30 projects that include mapping, GIS analysis, reports, presentations, graphics, 3D models and flyover video's showing the future appearance of a renovated City Hall and the adopted small area plans were completed over the past year.

The North Washington Street Small Area Plan was developed by staff, reviewed and approved by the Planning Commission, and approved by the City Council in June 2012. Work on the South Washington Street Corridor Small Area Plan began in June 2012 with a well attended Community kickoff meeting, a special meeting on Arts, Culture and History in the South Washington Street Area as well as a community meeting regarding possible designs for the Inter modal plaza. A community meeting to discuss the Draft Plan is scheduled for late April 2013. Approval of the final plan scheduled for June 2013. The kickoff meeting for the City Center Small Area Plan is scheduled to be held in June 2013, followed by staff work over the summer and fall for possible approval in December 2013. Using a similar plan template and format is aiding staff in developing the small area plans on schedule. The cost of the staff developed small area plans are considerably less than a plan created by consultants which typically would cost between \$250,000 and \$350,000 each.

The City of Falls Church is required by state law to update its Comprehensive Plan every five years. The 2005 plan is out of date and staff has been working to update it on a chapter by chapter basis using existing staff. The last update in 2005 was performed by a dedicated staff position that was eliminated. Last year's budget added an additional planner to focus on the comprehensive plan update and to provide additional support to Transportation Plan Implementation, the small area planning effort, the zoning ordinance update and special planning projects. The comprehensive plan sets the policy framework for the City of Falls Church. An additional planner has been hired and is focusing on development review, while a Senior Planner on staff will be focusing on coordinating the comprehensive plan update with the Planning Commission and City Departments.

Intake and Coordination: Administration of the Permits Counter/Customer Service functions of the department are managed under the direction of the department director. Intake and processing of all permits (including land use, zoning, grading, and building) and all bonds (including landscape, tree preservation, erosion and sediment control, demolition, and performance) will occur at the counter to offer a one-stop shop approach to our customers for intake and coordination. Counter staff provide service in-person, by phone, and via email and fax. We are proud to have the most helpful, knowledgeable staff in the area enabling a level of service that is rare at any level of government. As of February 2011 this function is also assisting in processing of fees for fire code permits to assist the City Fire Marshal.

Office renovations have been completed to the Development Services Counter area and the Laurel Conference Room and have resulted in greatly improved work environments both aesthetically and functionally. Renovations were performed with department resources (funds and manpower with limited outside assistance) resulting in very efficient use of funds on a small budget. The DS Counter customer service area has received a make-over giving a more inviting, functional and comfortable atmosphere for our customers. DDS is running out of office space for staff. Elimination of cumbersome paper and plan filing cabinets by transferring to electronic storage would provide much relief in this area.

A pilot electronic building plan review program resulted in a small, but very functional review program that is now being used by a several local residential builders, some commercial developers, and individual contractors for things like gas riser diagrams. The Hilton Garden Inn Plan was reviewed in this manner. Staff estimates saving 30 to 50% in building plan review time for some plans. Funds for implementation of a more inclusive, full size electronic plan review program are still needed for upgrading outdated (severely in some cases) existing computer equipment, purchasing additional equipment such as monitors and scanners, and resources to digitize documents that are currently in paper form. Electronic processing will increase the efficiency of a small staff, expand current capabilities, and improve service levels for our customers and the general public.

ZONING DIVISION

The Zoning Office administers the zoning regulations of the City and provides technical review and advice to citizens, the development community, and City staff. Zoning answers the question, "What can I do with my land?" dozens of times each week. The staff receives, reviews, and processes hundreds of development applications each year including building, sign, floodplain, subdivision plats, plot plans, grading plans, and site plans. Zoning provides primary staff support to the Architectural Advisory Board (AAB) and Board of Zoning Appeals (BZA). The staff also enforces the Zoning Ordinance and the newly adopted Property Maintenance Code, conducting on site inspections and seeking compliance with the code and working diligently to remedy violations. The staff may also be required to testify in court and before boards and commissions as an expert witness on zoning. The property maintenance code has increased staff's effectiveness in gaining compliance of property owners and correcting code violations including life safety issues.

Each year Zoning reviews approximately 1,600 regular permit applications and processes BZA and AAB applications. As a function of these reviews, Zoning conducts approximately 750 field inspections each year for enforcement activities, as-built site inspections, and site documentation. Zoning staffs a dozen scheduled AAB and BZA public hearings each year, and attends, on occasion, Planning Commission and City Council meetings. In total, Zoning staff attends and provides technical information for approximately 75 board, commission, and staff meetings annually.

Zoning staff are responsible for enforcement of the Zoning Ordinance and Property Maintenance Code for over 5,500¹ housing units and over 1,400 businesses including all inspections, documentation, issuance of notices of violation, and research of state and local codes. All administrative functions for code enforcement, full support of the BZA, the Architectural Advisory Board, zoning code amendments, and customer support are performed by zoning professional staff without the assistance of dedicated administrative staff.

¹ 2010 U.S. Census

BUILDING SAFETY DIVISON

This Division is dedicated to the protection of the health, safety and welfare of residents and visitors through the enforcement of the Virginia Uniform Statewide Building Code. This division issues building, mechanical, electrical, plumbing, fuel gas, fire alarm, and fire suppression permits and provides plan review, inspection, and code enforcement of building construction for new structures, and for the rehabilitation of existing structures. This division issues and maintains occupancy permits for all buildings in the City of Falls Church. This division also enforces the Virginia Maintenance Code as enacted by the City of Falls Church. Building Safety is now establishing processes to work more closely with the in-house Fire Marshall which will improve public safety of existing buildings and parking garages.

In the past the Inspections Division relied heavily on an outside consultant to perform inspections and trade reviews. Now with our in-house Electrical Plan Reviewer and Combination Inspector the division is more self-sufficient as a building department, we have seen reduced consulting fees and are able to respond more quickly and reliably to calls for service. During the past year plan review staff implemented computerized scheduling of building inspections, ending the long standing practice of a manual inspection log book. This has increased staff's ability to keep up with an increasing number of inspections and reduced the number of repeat inspections.

Expediting commercial fit outs is now a top priority for building inspections. Commercial tenant plans are uniquely identified when the applications received; staff works proactively with applicants to solve problems with the proposed design or plans; regular coordination with Economic Development Staff helps ensure that the timetable for opening is identified; and staff works to complete all of the needed inspections and permitting so that the schedule can be met.

All department permits are processed through the Development Services Counter where nearly all of the customer service and interaction with the public takes place. Counter staff also service the public by phone, fax, and, increasingly, through email. Other departments receive support from the Development Services Counter as well. All Public Works Department permits, fees, and bonds are processed through the DS Counter and fire inspection fees are processed here as well. The DS Counter must rely upon just two dedicated staffers for all counter functions/ responsibilities with the partial assistance of a few other department staff members.

In FY2014, DDS requested but was not funded two new staff positions to help address greatly increasing service demand: one Development Process Specialist (counter staff) and one Administrative Assistant. Residential and commercial construction is steadily increasing and commercial tenant fit-outs for new businesses have also increased. DS Counter staff levels remain at, or below, 2008 post budget cut levels. Services provided and level of personal service (i.e. information provided in person and time spent with customers) has increased steadily since 2008 without additional staffing. The unavoidable result is more frequent backlogging of permits for intake and processing and slower service in some areas. DDS actually lost an Administrative Assistant to DES following the reorganization. The addition of an administrative assistant would provide much needed support to professional and specialized staff resulting in overall improved service to the many boards and commissions supported by DDS, as well as to the community we serve. Both new positions would provide staffing and service capacity to keep the current development momentum in the City going which, in turn, would increase the future tax base.

CITY VISION



SUCCESSFUL DEVELOPMENT

GOALS

Current Planning – Provide concise, thoughtful, thorough and timely review of development plans and communication with citizens, developers and decision makers. Create and implement new land use tools that encourage creative, compatible and sustainable development.

OBJECTIVES

- Clear, consistent and timely development review for all site plans, subdivisions, rezoning, HARB, and special exception applications.
- Become a more “Developer Friendly” department to encourage faster commercial development.
- Professional technical assistance to City Council, Planning Commission, Citizen’s Advisory Committee on Transportation, the Historic Architectural Review Board, and Architectural Advisory Board.

KEY PERFORMANCE MEASURES

- Respond to 100 percent of email inquiries within 24 hours.
- Provide written feedback to applicants on project progress.
- Use internal tracking system (MUNIS) to facilitate smooth processing of applications.
- Explore developing streamlined process combining special exception and site plan processes.



NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE

GOAL

Comprehensive Planning – Monitor and update the City’s long term planning policies to include the Zoning Ordinance, and Comprehensive Plan

OBJECTIVES

- Update key policies, regulations, and tools with Zoning Ordinance review and updates.
- Comprehensive Plan Review/Update in cooperation with the Planning Commission and City Council.
- Coordinate, manage, and implement Transportation Program and Plans – Ped/Bike Plan, Safe Routes to School, Inter-modal Transportation Plaza, South Washington Street Transportation Plan.
-

KEY PERFORMANCE MEASURES

- Develop and complete key Zoning Ordinance amendments in response to ZOAC report
- Continue Comprehensive Plan review by July 2014
- Develop detailed small area plans for City’s eight opportunity areas for adoption by Planning Commission and City Council (six to twelve months per plan)



OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH

GOALS

Community Engagement/ Intake & Coordination – Provide citizens with meaningful, relevant, convenient ways to participate in local government and a positive customer experience.

OBJECTIVES

- Provide opportunities to share ideas, inform government decisions, and support active civic life.
- Improve permit processing efficiency and adopt best practices to ensure excellent customer service.

KEY PERFORMANCE MEASURES

- Post on the City’s web site information on the Department’s activities (meeting agenda/materials posted at least one business day prior).
- Centralize and triage permit intake and create a feedback mechanism for customer satisfaction.



NEIGHBORHOOD PRESERVATION AND COMMUNITY LIFE

GOAL	Zoning – Preserve neighborhood character and quality of life through effective administration and enforcement of zoning regulations.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Provide clear and consistent interpretation and administration of the zoning ordinance. Review subdivision plots, plot plans, grading plans and site plans, building permits, sign permits, floodplain permits, and certificate of occupancies for zoning compliance. Respond to Zoning and Property Maintenance Code violation complaints; perform code inspections on commercial and residential properties; enforce codes through communication and issuance of violation notices to maintain and improve City neighborhood and commercial districts. Work in coordination with the Fire Marshal and Building Official to ensure safe, non-polluting, and attractive commercial districts in harmony with the spirit of the City. 	<ul style="list-style-type: none"> Respond to Zoning Ordinance questions within 48 hours, 90 percent of the time. Approve daily permits within 48 hours, 90 percent of the time. Continue implementation of the Property Maintenance Code and enforcement procedures; continue development of administrative support procedures to ensure proper documentation of all cases and consistent application of the code; continue outreach efforts with private property owners and businesses to encourage voluntary compliance before more stringent enforcement steps are taken. Continue participation in full-code inspections to increase inspection and enforcement effectiveness and greatly improve the safety and quality of City environment. 	



SUCCESSFUL DEVELOPMENT

GOAL	Building Safety – Ensure the continued quality of plan reviews and inspections in the City of Falls Church, to stay in step with our community development, and ensure the safety of our aging buildings.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> To provide a flexible, dependable, well-trained and multi-disciplined building department, with full Virginia State and International Code Council certifications in all disciplines. To achieve and maintain the highest Insurance Service Organization rating and strive to be the best building code agency in the region. ISO weighs heavily on staff to workload ratio and certification portfolio. Continue to work with City Fire Marshal to update, inspect and improve fire safety systems in existing and new structures. 	<ul style="list-style-type: none"> Staff certification portfolio to cover the full spectrum of building trades, and training portfolio to maintain certifications. Monitor ISO evaluation, based on ongoing construction activity. Implement staff L.E.E.D training for future certification Promote and publicize green home and buildings here in the City of Falls Church. Fully implement new Electronic Plan Review program to improve quality and timeliness of review and greatly reduce review turn-around. 	

STAFFING AND BUDGET RESOURCES

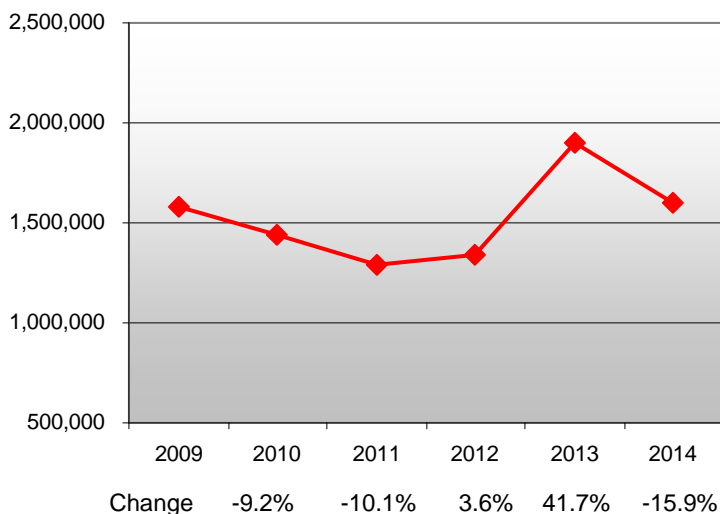
PROPOSED POSITIONS BY FTE – 14.81 TOTAL

- 1.00 Director, Planning and Development Services
- 1.00 Principal Planner, Current Planning
- 0.81 Principal Planner, Comprehensive/Transportation Planning
- 1.00 Senior Planner, Current & Future Planning
- 1.00 Planning/Zoning Specialist
- 1.00 Planner/GIS/Urban Design Specialist
- 1.00 Comprehensive Planner
- 1.00 Development Process Manager/ Deputy Zoning Administrator
- 2.00 Senior Development Process Specialists
- 1.00 Zoning Administrator
- 1.00 Development Services Inspector/Zoning Technician
- 1.00 Building Official
- 1.00 Electrical Plan Reviewer and Inspector
- 1.00 Building Inspector

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 1,007,722	\$ 1,137,077	\$ 1,163,398	2.31%
Benefits	275,426	333,149	373,310	12.05%
Professional and Contractual	8,394	392,634	27,500	-93.00%
Materials, Supplies, and Other	48,603	32,763	36,874	12.55%
Total Expenditures	1,346,973	1,895,623	1,601,082	-15.54%
Revenues				
Licenses, Fees, and Permits	454,463	396,000	597,000	50.76%
Federal Grants	5,715	350,000	-	-100.00%
Total Revenues	460,178	746,000	597,000	-19.97%
Net Expenditures				
Supported by General Revenues	886,795	1,149,623	1,004,082	-12.66%

BUDGET TREND: FY2009-2014



Notes:

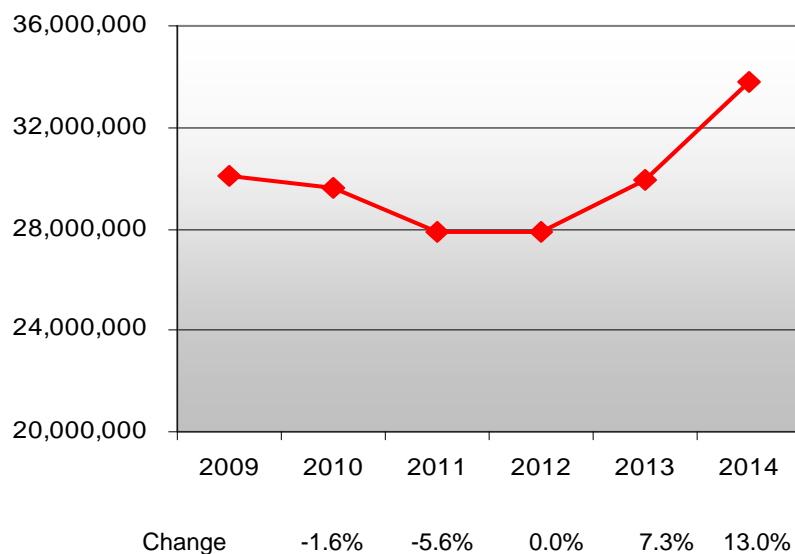
- The FY2010 reduction reflects a decrease in consulting services for traffic impact analysis review (also transferred to DES) and GIS services, as well as reduced costs for travel, training, and supplies.
- In FY2011, salaries/benefits reflect separation of GIS function from Planning (to PW). Also reduced professional fees to reflect completion of zoning ordinance consultant contract.
- FY2012 professional services increases are for IBTS, comprehensive planning and zoning rewrite work plan items.
- FY2012 revenues reflect increased fees to improve cost recovery capture rates.
- In FY2013, 2 new planners are added. In addition, a one-time grant was received for light rail study in the Rte. 7 corridor between Alexandria and Tyson's Corner in the amount of \$350,000.
- The removal of the one-time grant in FY2013 accounts for the decrease in expenditures in FY2014.

TRANSFER TO SCHOOL BOARD

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Transfer to School Board	\$ 27,861,600	\$ 29,903,800	\$ 33,775,600	12.95%
Net Expenditures				
Supported by General Revenues	\$ 27,861,600	\$ 29,903,800	\$ 33,775,600	12.95%

BUDGET TREND: FY2009–2014



The School Board budget is presented on pages 209-213.

OTHER EDUCATION EXPENDITURES

The amounts adopted in the following budget constitute the City's contribution to Northern Virginia Community College.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Northern Virginia Community College Contribution	\$ 18,582	\$ 22,704	\$ 26,170	15.27%
Net Expenditures				
Supported by General Revenues	\$ 18,582	\$ 22,704	\$ 26,170	15.27%

DEBT SERVICE

The City issues debt as necessary to fund long-lived capital assets such as school buildings, open space, and major public facilities and infrastructure. The proposed use of debt financing is included as part of the City's Capital Improvements Program (CIP) and is subject to the Council's adopted debt policies which are summarized on page 29.

Debt service includes all general obligations of the City, including those debts issued for the School Board but excludes debts issued by the utility funds.

During FY2012, the City issued \$7.45 million in new debt, including a \$3 million issuance through the Qualified School Construction Bond (QSCB) program, and refunded previously-issued debt. The refunding generated savings in the amount of \$1.4 million over the next 12 years, and \$260 thousand in FY2013.

During FY2012, the School Board transferred \$186 thousand to the City to set aside debt service for the QSCB issuance. Another \$186 thousand is being transferred from the School Board during FY2013. \$60 thousand of this money is being used in FY2013 to pay debt service for the QSCB issuance. These funds are being accumulated in an assigned fund to pay specifically for the debt service of this bond. By the end of FY2013, the balance in that fund will be \$312 thousand.

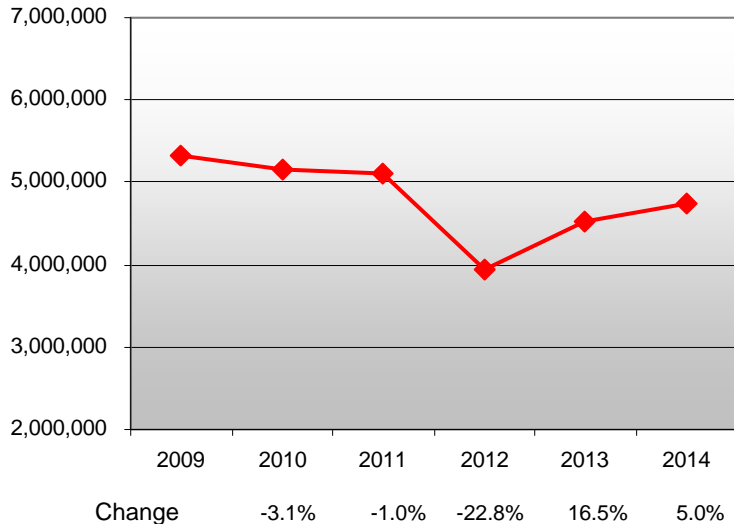
It is expected that the City will issue \$16M of new bonds during FY2014 to fund projects included in the FY2013 adopted CIP and some of FY2014 proposed CIP and another \$250 thousand to fund the purchase of police vehicles and equipment.

The FY2014 debt service expenditure break-down functionally as follows:

FUNCTION	AMOUNT
Schools	\$3,556,596
General Government	1,066,958
Costs and Fees	122,000
Total	<u>\$4,745,554</u>

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	\$ 13,072	\$ 122,000	\$ 122,000	0.00%
Principal	3,649,375	3,167,583	3,317,300	4.73%
Interest	1,432,305	1,229,796	1,306,254	6.22%
Total Expenditures	<u>5,094,752</u>	<u>4,519,379</u>	<u>4,745,554</u>	<u>5.00%</u>
Revenues				
Use of Fund Balance	-	60,000	60,000	0.00%
Other Grants and Contributions	-	-	127,500	-
Total Revenues	<u>-</u>	<u>60,000</u>	<u>187,500</u>	<u>212.50%</u>
Net Expenditures				
Supported by General Revenues	<u>\$ 5,094,752</u>	<u>\$ 4,459,379</u>	<u>\$ 4,558,054</u>	<u>2.21%</u>

BUDGET TREND: FY2009-2014**Note:**

- The decrease in the FY2012 amount is due to the final maturity of three bonds.
- There was an anticipated borrowing of \$12M in FY2013 for which interest of \$210,000 is included in this budget.
- In FY2014, we anticipate issuing \$16.5 in bonds. The resulting debt service is included in the budget.

POST-EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to pension, the City provides health insurance and life insurance benefits for employees who have both vested in the City's pension plan and retire from the City. Together, these are referred to as "Other Post-Employment Benefit" (OPEB).

For employees hired prior to April 1, 2008 the City pays 50% of the retiree's health insurance premium and 100% of the premiums for \$2,000 life insurance policy with the benefit vesting after either five years of credible service or eligibility to retire, whichever comes first. For employees hired on or after April 1, 2008 the City pays 20% of the retiree's health insurance premium after ten years' credible service and the benefit increases by 2% per year up to 50% at twenty-five years of service.

In FY2008, the City made the decision to begin funding its actuarial liabilities and established a trust fund to accumulate such funds. In that initial year of funding, the City pre-funded a portion of the actuarial liability for OPEB. Since then, the City has fully funded its Actuarially Required Contribution (ARC) for OPEB. The following table shows the portion of the FY2013 ARC that is allocable to current retirees and reflects this adjustment. Throughout this budget, the City has allocated a portion of the ARC that is allocable to active employees. In total for the General Fund, the City will contribute \$497 thousand.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Benefits	\$ (42,858)	\$ 144,000	\$ 150,000	4.17%
Net Expenditures				
Supported by General Revenues	\$ (42,858)	\$ 144,000	\$ 150,000	4.17%

TRANSIT

The City's required subsidy for WMATA for Metrobus and Metrorail operations and capital needs is funded through the fuels tax collected and disbursed by the Northern Virginia Transportation Commission, along with some state aid from the Department of Rail and Transportation (DRPT), as well as some contribution from the City. The gas revenues are not included in the City's budget as they are dedicated by state law to be used for WMATA obligations and are deposited directly into a trust fund maintained by NVTC. In 2012, DRPT changed the grantee from NVTC to the City of Falls Church, thereby requiring us to record the state aid in our books. The state budget is not yet set at the time of this proposal. An estimate is provided below based on the FY2013 amount.

WMATA has not approved their budget at the time of this proposal. They are proposing a \$200,000 increase in the City's share of their operating and capital expenditures due mostly to the fact that the City's population had increased since the 2000 census. WMATA is now using the 2010 census to calculate allocations. The increase results in a total share of \$2.9 million. We estimate that the City's balance in the NVTC trust fund as well as the state aid will be sufficient to cover these expenses, and as such, we have not made any provisions in this budget for WMATA costs.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	\$ 54,998	\$ 208,000	\$ 1,205,000	479.33%
Total Expenditures	54,998	208,000	1,205,000	479.33%
Revenues				
State Grants	-	-	1,200,000	-
Net Expenditures				
Supported by General Revenues	\$ 54,998	\$ 208,000	\$ 5,000	-97.60%

RESERVES & CONTINGENCIES

This budget includes contingency reserves to offset potential changes to revenues and expenditures that are not yet known at the time this budget is proposed. The total contingency for this purpose is \$117 thousand, including a Council contingency of \$7,500. The City Council appropriates this reserve to provide for small, unexpected funding requests during the year. These actions may only take place by Council resolution.

In addition, \$250 thousand is being reserved to pay to BJ's pursuant to the Economic Development Agreement entered into with 6607 Wilson Retail, LLC.

As part of the issuance of a Qualified School Construction Bond (QSCB) in 2011, the School Board agreed to transfer to the City \$186,000 per year for three years to help towards the payment of the debt service. Since the required debt service for the QSCB is less than the amount being transferred, the City puts those funds in reserves for future principal payments on this bond. The School Board made the transfer in FY2012, and have adopted it in their budget to make it for FY2013. However, in the budget that the School Board adopted on March 5, they have not included this transfer. In addition, they have resolved not to make the transfer for FY2013. In exchange, they are reducing their request for their transfer by \$372,000. As such, in this FY2014 proposed budget, we have not included a reservation for \$186,000.

This budget includes a reservation of \$400 thousand to increase the City's fund balance to 17% of the City's expenditures. Pursuant to the City's Fund Balance Policy as described in the City Introduction section of this document, the target is 17%. This appropriation to fund balance reserve is equal to about 1.2 cents on the real estate tax rate.

This budget also includes a reservation of \$520 thousand for capital reserves. This begins to address the capital reserve policy that the City adopted in 2011, also found in the City Introduction section of this document.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Council Contingency	\$ -	\$ 7,500	\$ 7,500	0.00%
Contingency Reserve	-	153,500	109,468	-28.69%
Contingency Reserve - BJ's	-	250,000	250,000	0.00%
Reserve for Debt Service - QSCB	-	186,000	-	-100.00%
Restoration of Fund Balance	-	1,100,000	200,000	-81.82%
Capital Reserve	-	-	500,000	-
Net Expenditures				
Supported by General Revenues	\$ -	\$ 2,593,642	\$ 1,066,968	-58.86%

TRANSFERS

The transfers out of the General Fund are to provide funding for projects in the Capital Improvements Program (CIP) accounted for in the capital project fund. The proposed transfers are to provide for matches to federal grants and to provide funding for critical facilities maintenance. This transfer is being paid out of current year revenue.

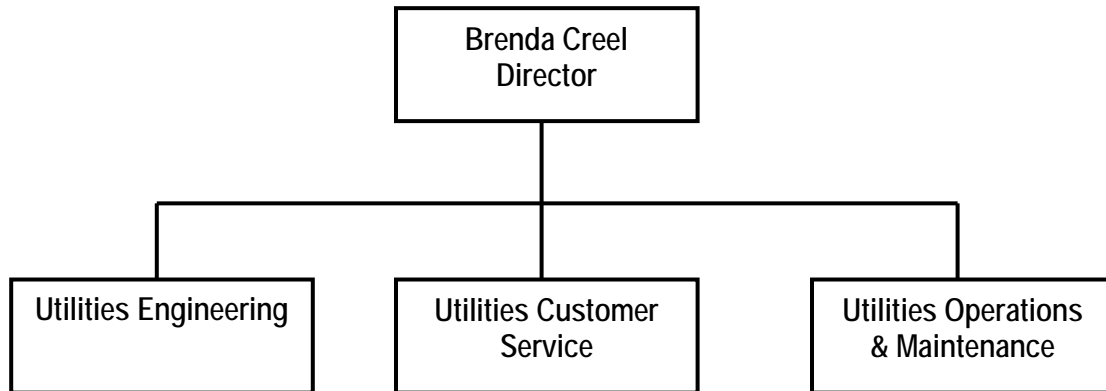
PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Transfer to CIP	200,000	667,076	600,000	-10.06%
Net Expenditures				
Supported by General Revenues	200,000	667,076	600,000	-10.06%

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FY2014 PROPOSED BUDGET
WATER FUND



DEPARTMENT OF PUBLIC UTILITIES

The Department of Public Utilities manages the City's water and sewer utilities. Each utility is set up as a separate fund and with a separate budget. The budget for the Water Fund is presented in the following pages, and the Sewer Fund in pages 195-201.

The sale of the City's water utility to Fairfax Water is pending January 2014, contingent upon voter referendum approval in November 2013. The proposed budget will allow the water utility to continue operations in the event the sale is not consummated. Assuming that the voters approve the sale of the water system, the FY2014 Water and General Fund Budgets may then be amended as appropriate to reflect the sale. The City will retain ownership and operation of the sewer utility.

For FY2014, the Water Fund budget reflects the following significant changes:

- The proposed budget reflects lower expected revenues from service charges and availability fees.
- Expenditures reflect reduced professional services costs (legal fees), equipment purchases and transfer to the Capital Improvements Program (CIP) Fund.
- Operating cost increases include purchase of water, electricity, and temporary help. Only key staff vacancies are being filled pending the proposed system sale.
- Reserve funds, established in FY2013 as recommended by our consultants during a 2011 rate study, are unfunded due to revenue constraints.
- The FY2014 Water Fund CIP has been placed on hold pending disposition of the water utility.

WATER FUND REVENUES

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Service Charges	\$ 19,617,771	\$ 20,320,000	\$ 20,000,000	-1.57%
Availability Fees	1,767,305	2,000,000	1,700,000	-15.00%
Connection Charges	623,107	151,000	151,000	0.00%
Other Charges	762,234	622,000	622,000	0.00%
Total Charges for Services	22,770,417	23,093,000	22,473,000	-2.68%
Federal Grants	235,180	-	-	-
Total Grants and Contributions	235,180	-	-	-
Investment Revenues	48,000	42,000	42,000	0.00%
Rental Revenue	219,069	180,000	180,000	0.00%
Total Revenue from Use of Money and Property	267,069	222,000	222,000	0.00%
Miscellaneous Revenue	13,009	-	-	-
Total Miscellaneous Revenue	13,009	-	-	-
TOTAL REVENUE - WATER FUND	\$ 23,285,675	\$ 23,315,000	\$ 22,695,000	-2.66%


WATER FUND EXPENDITURES

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Water Administration	\$ 4,850,226	\$ 4,208,472	\$ 3,756,923	-10.73%
Water Customer Service	1,321,356	1,471,750	1,480,250	0.58%
Source of Supply	7,135,702	9,752,679	10,071,184	3.27%
Water Distribution	2,371,862	2,800,443	2,852,027	1.84%
Connection	848,253	732,579	620,485	-15.30%
Debt Service	955,806	2,304,077	2,167,131	-5.94%
Other Post-Employment Benefits	41,800	45,000	47,000	4.44%
Transfers to CIP	-	2,000,000	1,700,000	-15.00%
TOTAL EXPENDITURES - WATER FUND	\$ 17,525,004	\$ 23,315,000	\$ 22,695,000	-2.66%

WATER FUND ADMINISTRATION

The Department of Public Utilities provides management and operation of the City's water system to ensure high quality and reliable service, including related capital planning, engineering, mapping, design, and construction activities. The City purchases nearly six billion gallons per year from the Washington Aqueduct. This water is then distributed through 500 miles of water mains over 33 square miles. The system includes approximately 3,253 fire hydrants and 10,211 valves, and the department collects nearly 125 water samples per month to ensure water quality. While the disposition of the water system is pending, CIP planning has continued; however, plan implementation has been placed on hold.

CITY VISION

 SUCCESSFUL DEVELOPMENT	
GOAL	Maintain a high-performing water utility that supports economic growth within its service territory in Fairfax County and the City, and provides responsive customer service.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Conduct benchmarking study that includes analysis of performance measures, organizational needs, staffing requirements, and work flow enhancements. 	<ul style="list-style-type: none"> Develop performance plan by June 30, 2014.
<ul style="list-style-type: none"> Provide timely response to inquiries and complaints/compliments received from customers, engineers, contractors, developers and citizens about utility services. 	<ul style="list-style-type: none"> Respond to inquiries and complaints/compliments within 24 hours, and requests for water samples within 72 hours.
GOAL	Build infrastructure that supports redevelopment efforts in Fairfax County and the City, and maintain and improve system assets.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Develop capital investment plans to meet demand and identify funding sources. 	<ul style="list-style-type: none"> Update CIP plan annually.

STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 10.15 TOTAL

- | | |
|--|--|
| <ul style="list-style-type: none"> • 0.85 Director, Utilities Department • 0.95 Chief Engineer, Utilities • 0.95 Engineering Technician • 1.90 Utilities Engineers | <ul style="list-style-type: none"> • 1.70 Senior Administrative Assistants • 2.85 Water and Sewer Inspectors • 0.95 Engineering Assistant |
|--|--|

FY2014 PROPOSED BUDGET

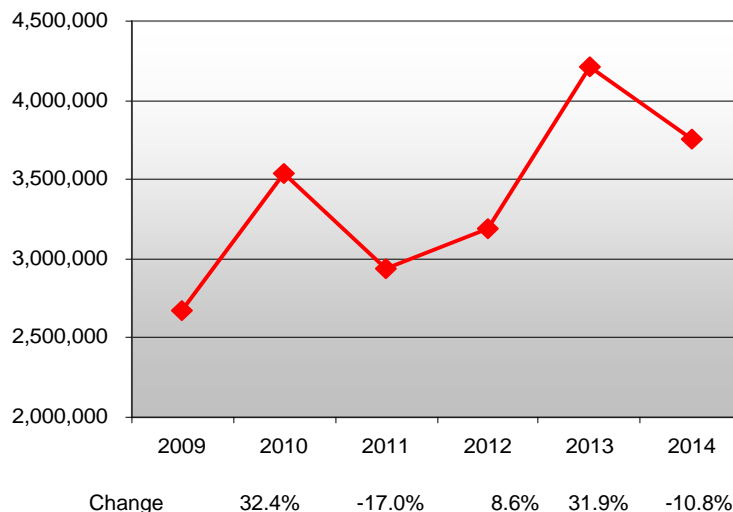
WATER FUND EXPENDITURES

ADMINISTRATION

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 776,500	\$ 900,941	\$ 917,318	1.82%
Benefits	226,080	283,665	309,838	9.23%
Professional and Contractual	2,193,391	1,034,516	576,517	-44.27%
Materials, Supplies, and Other	498,114	470,450	473,250	0.60%
Capital Outlay	87,884	400	-	-100.00%
Reserves	-	380,000	380,000	0.00%
Admin Fees to General Fund	1,068,257	1,140,000	1,100,000	-3.51%
Net Expenditures				
Supported by General Revenues	\$ 4,850,226	\$ 4,209,972	\$ 3,756,923	-10.76%

BUDGET TREND: FY2009 – 2014



Notes:

- Increase in FY2010 due to legal fees.
- FY2011 removed \$725,000 in estimated legal fees.
- FY2012 added 2 FTE employees and cost of leased office space.
- FY2013 increase due to legal fees.
- FY2014 reduction in estimated legal fees

WATER CUSTOMER SERVICE

The Department of Public Utilities Customer Service team provides quality service to 34,500 accounts within the water system's 33 square mile service area. Responsibilities include meter reading, billing, mailing and collection of all water and sewer bills for the system's customers. Customer Service Representatives assist customers over the phone and via e-mail, as well as help those who have questions while paying their water bill in person. Trained technicians install new meters, repair and replace existing meters, and perform various testing to existing meters to ensure accuracy.

CITY VISION



WORLD CLASS GOVERNMENT AND PUBLIC OUTREACH

GOAL	To provide outstanding service to water customers.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> Provide accurate and timely bills to all customers. 	<ul style="list-style-type: none"> 99% of bills will be accurate. Quarterly bills are mailed to customers within 20 days of completion of meter reading. Monthly bills are mailed to customers by the 10th of the month. 	
<ul style="list-style-type: none"> Ensure customer concerns are addressed properly and timely. 	<ul style="list-style-type: none"> 100% of written customer correspondence is handled within three business days. 100% of telephone calls are responded to within one business day. 	
<ul style="list-style-type: none"> Enhance efficiency of meter reading. 	<ul style="list-style-type: none"> Purchase additional laptop for meter reading by August 2013. Replace 50 large meters as part of the on-going replacement project. 	

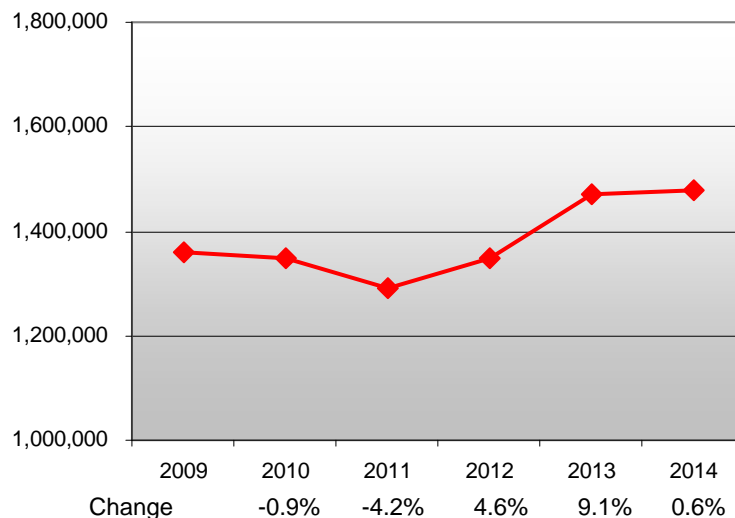
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 12.35 TOTAL

- 0.95 Utilities Customer Service Manager
- 0.95 Utilities Accounting Manager
- 4.75 Senior Customer Service Representatives
- 0.95 Customer Service Representatives
- 2.85 Meter Readers
- 1.90 Meter Technicians
- 0.95 Field Technician

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 624,069	\$ 693,944	\$ 677,213	-2.41%
Benefits	243,572	288,141	282,737	-1.88%
Professional and Contractual	48,034	112,525	144,121	28.08%
Materials, Supplies, and Other	402,848	373,245	361,929	-3.03%
Capital Outlay	2,833	3,895	14,250	265.85%
Total Expenditures	1,321,356	1,471,750	1,480,250	0.58%
Revenues				
Charges for Services	640,641	600,000	600,000	0.00%
Net Expenditures				
Supported by General Revenues	\$ 680,715	\$ 871,750	\$ 880,250	0.98%


BUDGET TREND: FY2009 – 2014**Notes:**

- FY2012 increase reflects new leased office space costs.
- FY2013 includes additional funding for meter maintenance and replacement and implementation of a route optimization program.

SOURCE OF WATER SUPPLY

This cost center supports the purchase of treated water from the U.S. Army Corps of Engineers Washington Aqueduct and its transport to the City's water distribution system. Funds are used for the operation and maintenance of eight pumping stations with a range of 1-45 MGD pumping capacity, as well as 10 water storage facilities holding 14.2 million gallons (MG).

CITY VISION

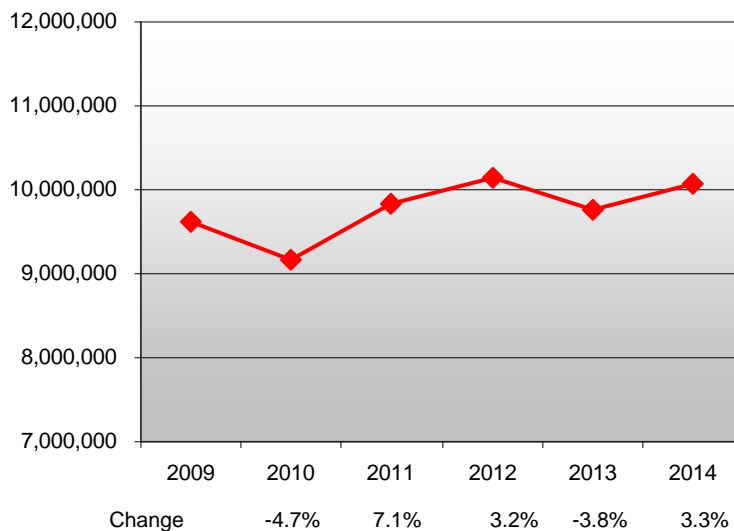
 SUCCESSFUL DEVELOPMENT		
GOAL	Maintain a high-performing water utility that supports economic growth within its service territory in Fairfax County and the City, and provides responsive customer service.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> • Operate and maintain eight pumping stations and ten water storage tanks according to preventive maintenance schedule and plan. 	<ul style="list-style-type: none"> • Operate and maintain water system facilities with 95% of pumps in service at all times. • Operate and maintain system with no avoidable major service interruptions through enhanced preventive maintenance program as measured by monthly reports. 	
GOAL	Ensure the safety and purity of water in the distribution system.	
OBJECTIVES	KEY PERFORMANCE MEASURES	
<ul style="list-style-type: none"> • Ensure compliance with EPA and State Health department regulations. 	<ul style="list-style-type: none"> • 100% compliance (non violations) with all state and federal water quality regulations as measured by annual sampling program/VHD reports. • Collect at least 120 bacteriological, chloramines and water quality samples per month, and new construction samples on an as-needed basis, as required by the Virginia Health Department and EPA. 	

STAFFING AND BUDGET RESOURCES**PROPOSED POSITIONS BY FTE – 10.00 TOTAL**

- 1.00 Pumping Station Supervisor
- 7.00 Pumping Station Operators
- 1.00 Maintenance Technician
- 1.00 Instrumentation Technician

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 552,212	\$ 580,351	\$ 624,739	7.65%
Benefits	212,319	222,028	254,645	14.69%
Professional and Contractual	798,549	2,585,000	2,585,000	0.00%
Purchase of Water	4,724,877	5,464,500	5,656,000	3.50%
Materials, Supplies, and Other	832,746	900,800	950,800	5.55%
Capital Outlay	15,000	-	-	0.00%
Net Expenditures				
Supported by General Revenues	\$ 7,135,702	\$ 9,752,679	\$ 10,071,184	3.27%

BUDGET TREND: FY2009 – 2014**Notes:**


Increase in FY2009 due to: assumed purchase of more water based on increase in actual purchases in FY2008 (\$536,000); also increase in Corps of Engineers Capital Improvements budget (\$633,000).

- Decrease in FY2010 due to \$600,000 decrease in Washington Aqueduct Capital Improvements Budget.
- Increase in FY2011 due to \$500,000 increase in cost of purchased water. Also included is funding for one FTE pumping station operator position.
- Increase in FY2012 due to increased Washington Aqueduct capital costs.
- Decrease in FY2013 due to reduced Washington Aqueduct capital costs.
- Increase in FY2014 due to increased cost for the purchase of water and increased electricity costs.

WATER DISTRIBUTION

The Department of Public Utilities provides routine and emergency maintenance activities for water mains and appurtenances, including approximately 500 miles of pipes, 3,253 fire hydrants, and 10,211 valves. In addition, CIP funds are used for the City's water main replacement program, whereby aging water mains that have an unfavorable history of breaks are replaced in order to provide better service. About two miles of such problem water mains are replaced annually. The FY2014 CIP program is on hold pending disposition of the City's water utility.

CITY VISION

 SUCCESSFUL DEVELOPMENT	
GOAL	Maintain a high-performing Water Utility that supports economic growth within its service territory in Fairfax County and the City, and provides responsive customer service.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Maintain system reliability by minimizing number of customer hours out of service. Respond to emergency calls within 45 minutes. 	<ul style="list-style-type: none"> Respond to service interruptions within four hours of notification 100% of the time. When responding to water breaks, on call personnel will confirm the break and isolate the system within 90 minutes. Number of main breaks should be less than 0.5% breaks per mile of pipe per year. Number of inoperable hydrants should not exceed 0.5% of total number of hydrants at any time. On call personnel are to respond within 45 minutes of receiving an emergency call.
GOAL	Keep the City's water distribution system in peak operating condition through preventative and emergency maintenance.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Update and implement the water main repair and replacement program. 	<ul style="list-style-type: none"> Implement projects per the priority list using available funding by June 30, 2014.

STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 17.90 TOTAL

- | | |
|---|--|
| <ul style="list-style-type: none"> 0.90 Superintendent of Public Utilities 1.00 Senior Administrative Assistant 7.00 Maintenance Workers | <ul style="list-style-type: none"> 2.00 Crew Leader 1.00 Senior Crew Leader 6.00 Senior Maintenance Workers |
|---|--|

FY2014 PROPOSED BUDGET

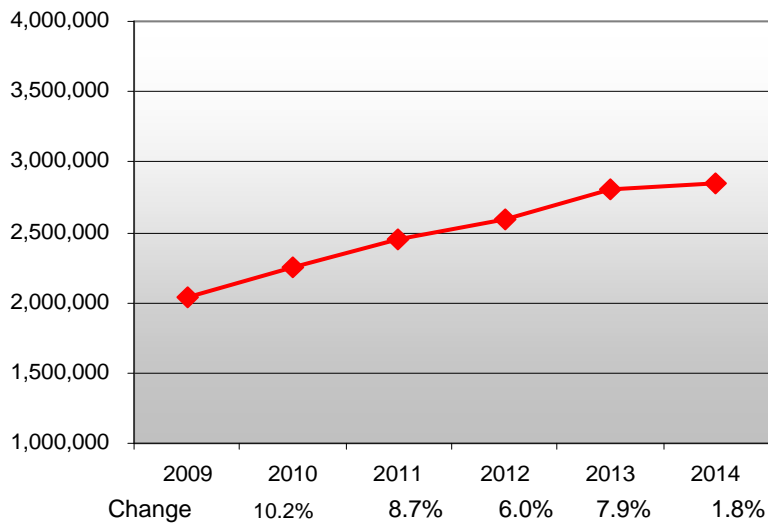
WATER FUND EXPENDITURES

WATER DISTRIBUTION

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 1,051,039	\$ 1,109,385	\$ 1,150,290	3.69%
Benefits	376,104	396,726	445,104	12.19%
Professional and Contractual	317,449	582,250	585,250	0.52%
Materials, Supplies, and Other	347,214	571,082	571,383	0.05%
Capital Outlay	280,056	141,000	100,000	-29.08%
Net Expenditures				
Supported by General Revenues	\$ 2,371,862	\$ 2,800,443	\$ 2,852,027	1.84%

BUDGET TREND: FY2009 – 2014




Notes:

- FY2009 reflects increase in vehicle maintenance and fuel costs, as well as purchase of new dump truck and pickup truck.
- FY2011 increase reflects purchase of utility truck and two (2 FTE) new maintenance worker positions.
- FY2012 increase reflects additional one FTE maintenance worker and purchase of a new backhoe and additional fittings to repair larger pipes.
- FY2013 increase reflects salary reallocation due to 2011 reorganization plan, purchase of safety equipment, and emergency repairs of larger aging pipes.

WATER CONNECTIONS

The Department of Public Utilities provides the labor, equipment and materials for new domestic water service connections. Funding also provides for the maintenance and replacement of existing water services as required.

CITY VISION

 SUCCESSFUL DEVELOPMENT	
GOAL	Provide timely and quality installation of water service connections from the water main to the water meter located at the property line.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Provide support for installation of approximately 300 new house services and relocation of approximately 150 services throughout the distribution system. Repair and replace aging and plastic water services as needed. Assist with water emergency repairs and with installation of water valves, mains and hydrants. 	<ul style="list-style-type: none"> No (0%) construction delays due to City response time. Tap installations to be completed within 14 days for multifamily projects. Repair or replace aging and plastic water services within 12 hours of trouble call.

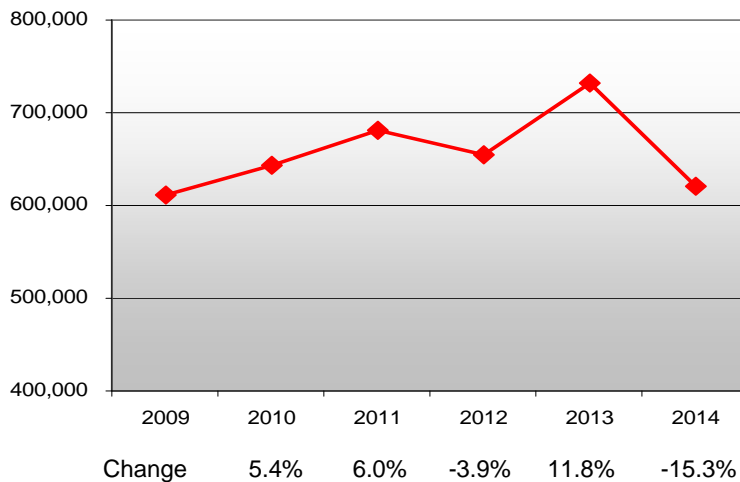
STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 6.00 TOTAL

- 1.00 Crew Leader
- 4.00 Maintenance Worker
- 1.00 Senior Maintenance Workers

PROPOSED BUDGET

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 307,107	\$ 303,188	\$ 259,860	-14.29%
Benefits	123,066	129,181	126,315	-2.22%
Professional and Contractual	10,000	10,750	10,750	0.00%
Materials, Supplies, and Other	278,279	222,460	223,560	0.49%
Capital Outlay	129,801	67,000	-	-100.00%
Net Expenditures				
Supported by General Revenues	\$ 848,253	\$ 732,579	\$ 620,485	-15.30%

BUDGET TREND: FY 2009 – 2014**Notes:**

- FY2011 increase reflects the purchase of a utility truck and the increase in vehicle maintenance labor costs.
- FY2012 decrease reflects the fact that no new vehicles will be purchased.
- FY2013 increase due to purchase of a compactor.
- FY2014 decrease reflects no new equipment purchases and staffing restructuring.

DEBT SERVICE

In FY2007, the City issued general obligation bonds to finance the City's share of the water treatment plant renovation being completed by the Army Corp of Engineers. The City also issued general obligation bonds in FY2009, FY2010 and FY2011 for water system improvement projects. A refunding in 2011 resulted in the reduction of interest in FY2014.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	\$ 17,105	\$ 1,000	\$ 1,000	0.00%
Principal	-	1,178,148	1,441,443	22.35%
Interest	938,701	1,124,929	724,688	-35.58%
Net Expenditures				
Supported by General Revenues	\$ 955,806	\$ 2,304,077	\$ 2,167,131	-5.94%

POST-EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to pension, the City provides health insurance and life insurance benefits for employees who have both vested in the City's pension plan and retire from the City. Together, these are referred to as "Other Post-Employment Benefit" (OPEB).

For employees hired prior to April 1, 2008, the City pays 50% of the retiree's health insurance premium and 100% of the premiums for \$2,000 life insurance policy with the benefit vesting after either five years of credible service or eligibility to retire, whichever comes first. For employees hired on or after April 1, 2008 the City pays 20% of the retiree's health insurance premium after ten years' credible service and the benefit increases by 2% per year up to 50% at twenty-five years of service.

FY2014 PROPOSED BUDGET**WATER FUND EXPENDITURES****NON-DEPARTMENTAL**

In FY2008, the City made the decision to begin funding its actuarial liabilities and established a trust fund to accumulate such funds. In that initial year of funding, the City pre-funded a portion of the actuarial liability for OPEB. The FY2009 through FY2014 budgets also include full funding for the City's Actuarial Required Contribution (ARC) for OPEB. The following table shows the portion of this ARC that is allocable to current retirees. Throughout the Water Fund Expenditures budget, the City has allocated a portion of the ARC that is allocable to active employees. The total amount budgeted for the Water Fund for all active employees and retirees is \$149 thousand. Portions of the City's ARC are also allocated to the employees and retirees of the General and Sewer Funds.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Benefits	\$ 41,800	\$ 45,000	\$ 47,000	4.44%
Net Expenditures				
Supported by General Revenues	\$ 41,800	\$ 45,000	\$ 47,000	4.44%

TRANSFERS & RESERVES

The Water Fund transfers funds to its Capital Improvements Project (CIP) Fund in order to pay for projects that are not debt-funded or grant-funded. In FY2014, CIP projects are placed on hold until such a time as the future of the water system is determined. \$1,700,000 is transferred from Operating Fund to CIP Fund for estimated receipt of availability fees. These fees are designated for water system improvements.

Reserves for operating and maintenance (O&M), repairs, replacement and rehabilitation, and debt service were established pursuant to the rate study performed in May 2011 but are shown as unfunded due to revenue constraints.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Transfer to CIP	\$ -	\$ 2,000,000	\$ 1,700,000	-15.00%
Reserves:				
Operating and Maintenance	-	-	-	0.00%
Repairs, Replacement and Rehabilitation	-	-	-	0.00%
Debt Service	-	-	-	0.00%
Net Expenditures				
Supported by General Revenues	\$ -	\$ 2,000,000	\$ 1,700,000	-15.00%

**FY2014 PROPOSED BUDGET
SEWER FUND**



The Sewer Fund is under the management of the Department of Public Utilities. If the sale of the water utility were to be completed, the management of the Sewer Fund will remain with the City under the Department of Public Works.

The following are significant changes to the Sewer Fund's budget for FY2014:

- Revenue includes rate increase of 9.0% from \$7.91 to \$8.62 per 1,000 gallons as recommended by 2011 rate study to fund sewer rehabilitation program and increased treatment plant costs. Budget also includes a modest increase in reserve funding.
- Decrease in transfer to the CIP account reflects lower expected revenues from availability fees.

SEWER FUND REVENUES

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Service Charges	\$ 2,856,933	\$ 3,345,000	\$ 3,480,000	4.04%
Availability Fees	20,100	500,000	50,000	-90.00%
Other Charges	196,486	100,000	145,000	45.00%
Total Charges for Services	3,073,519	3,945,000	3,675,000	-6.84%
Investment Revenues	14,851	10,000	10,000	0.00%
Total Revenue from Use of Money and Property	14,851	10,000	10,000	0.00%
TOTAL REVENUE - SEWER FUND	\$ 3,088,370	\$ 3,955,000	\$ 3,685,000	-6.83%

SEWER FUND EXPENDITURES


	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Sewer Administration	\$ 228,804	\$ 276,862	\$ 273,281	-1.29%
Sewer Customer Service	47,962	63,759	66,836	4.83%
Collection and Disposal	1,311,532	1,462,677	1,673,567	14.42%
Debt Service	481,621	1,116,311	1,090,692	-2.29%
Other Post-Employment Benefits	3,400	2,500	3,000	20.00%
Transfers to CIP	400,000	900,000	500,000	-44.44%
Reserves	-	132,891	77,624	-41.59%
TOTAL EXPENDITURES - SEWER FUND	\$ 2,473,320	\$ 3,955,000	\$ 3,685,000	-6.83%

ADMINISTRATION

SEWER ADMINISTRATION

The Department of Public Utilities provides management and operation of the City's sanitary sewer system, including related planning, design, construction, and rehabilitation of the system, which serves the City's 12,332 residents. The sanitary sewer system is comprised of nearly 4,000 accounts, 43 miles of sewer mains, and 1012 manholes. More than one million gallons of wastewater is collected per day and sent to treatment plants in Alexandria and Arlington County. In addition, funding is used to develop and implement capital improvements needed to provide high quality and reliable service.

CITY VISION

 SUCCESSFUL DEVELOPMENT	
GOAL	Maintain a high-performing sewer utility that supports economic development, and provides responsive customer service.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Provide timely response to inquiries and complaints/compliments received from customers, engineers, contractors, developers and citizens. 	<ul style="list-style-type: none"> Respond to inquiries and complaints/compliments within 24 hours.
GOAL	Build infrastructure that supports City-wide redevelopment that creates a vibrant, distinct, sustainable great place.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Perform annual sewer rehabilitation project to line approximately 5,000 feet of sewer main. 	<ul style="list-style-type: none"> Complete annual sewer rehabilitation project on schedule and within budget by June 30, 2014.

STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 0.50 TOTAL

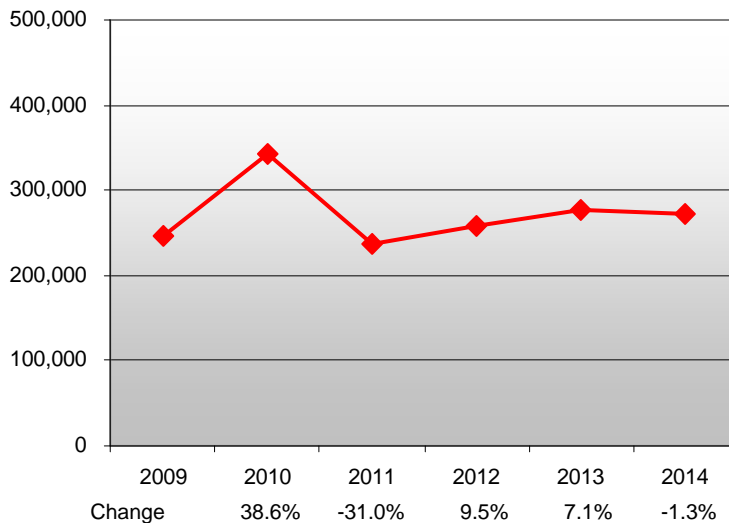
- 0.05 Director, Utilities Department
- 0.05 Chief Engineer, Utilities
- 0.10 Utilities Engineers
- 0.15 Water and Sewer Inspectors
- 0.05 Engineering Assistant
- 0.05 Senior Administrative Assistant
- 0.05 Engineering Technician

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 17,298	\$ 41,701	\$ 42,968	3.04%
Benefits	6,467	13,525	15,652	15.73%
Professional and Contractual	27,738	22,750	15,250	-32.97%
Materials, Supplies, and Other	79,878	75,300	75,825	0.70%
Reserves	-	28,586	28,586	0.00%
Admin Fees to General Fund	97,423	95,000	95,000	0.00%
Net Expenditures				
Supported by General Revenues	\$ 228,804	\$ 276,862	\$ 273,281	-1.29%

ADMINISTRATION

BUDGET TREND: FY2009 – 2014


**Notes:**

- Decrease in FY2009 due to lower amount of administrative transfer to the General Fund.
- FY2010 includes \$100,000 federal grant.
- FY2011 reflects removal of federal grant expenditure.
- FY2012 includes proportional cost of two additional maintenance positions.
- FY2013 increase reflects sewer shed account identification project.

CUSTOMER SERVICE

Public Utilities Customer Service team provides billing and mailing operations for approximately 4,000 sewer accounts within the City and over 28,000 sewer accounts located within the City's water system service area, but located in Fairfax County. The City serves as the billing agent for Fairfax County for all accounts within the City's service area. Responsibilities include meter reading and billing, mailing and collection of all utility bills for the system's customers. Customer Service Representatives assist customers over the phone, by e-mail or in person with common questions.

CITY VISION

 WORLD CLASS GOVERNMENT AND PUBLIC OUTREACH	
GOAL	To provide outstanding customer service.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> • Provide accurate and timely bills to all customers. 	<ul style="list-style-type: none"> • 99% of bills will be accurate. • Quarterly bills are mailed to customers within 20 days of completion of meter reading. • Monthly bills are mailed to customers by the 10th of the month.
<ul style="list-style-type: none"> • Provide reading reports to Arlington County and Town of Vienna in a timely manner. 	<ul style="list-style-type: none"> • Reports provided to outside jurisdictions within 15 days of obtaining reading.
<ul style="list-style-type: none"> • Ensure customer concerns are addressed properly and timely. 	<ul style="list-style-type: none"> • 100% of written customer correspondences are handled within three business days. • 100% of telephone calls are responded to within one business day.

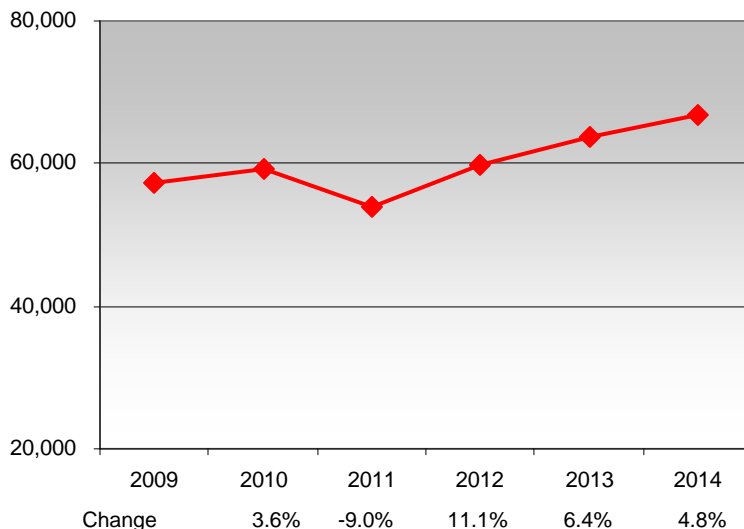
STAFFING AND BUDGET RESOURCES**PROPOSED POSITIONS BY FTE – 0.70 TOTAL**

- 0.05 Utilities Customer Service Manager
- 0.05 Utilities Accounting Manager
- 0.25 Senior Customer Service Representatives
- 0.05 Customer Service Representatives
- 0.15 Meter Reader
- 0.10 Meter Technician
- 0.05 Field Technician

*All employees are allocated between Water and Sewer Customer Service.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 30,880	\$ 36,566	\$ 35,643	-2.52%
Benefits	12,539	15,173	14,980	-1.27%
Professional and Contractual	510	2,785	7,582	172.25%
Materials, Supplies, and Other	4,033	9,030	7,881	-12.72%
Capital Outlay	-	205	750	265.85%
Net Expenditures				
Supported by General Revenues	\$ 47,962	\$ 63,759	\$ 66,836	4.83%

BUDGET TREND: FY2009 – 2014**Notes:**


- FY2012 reflects new office lease costs.
- FY2013 reflects shared costs between water and sewer funds
- FY 2014 reflects increase due to purchase of additional meter reading equipment and temporary help.

COLLECTION AND DISPOSAL

This Department of Public Utilities operates and maintains the City's wastewater infrastructure. The system includes 43 miles of pipeline ranging from 8" to 21" in diameter, and 1012 manholes. Maintenance activities include flushing the entire system once a year to keep sewer mains flowing at their full capacity.

Associated costs include the City's share of capital improvements to the Arlington and Alexandria wastewater treatment plants, as the City does not have its own wastewater treatment plant. In addition, capital funds provide for rehabilitation of again sewer pipes by lining them with fiberglass—a more cost-effective method of upgrading system capacity than excavation and replacement of deteriorating sewer pipelines.

CITY VISION

 SUCCESSFUL DEVELOPMENT	
GOAL	Provide for the efficient collection and disposal of the City wastewater and the routine maintenance of wastewater facilities.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Perform annual cleaning and inspection of sewer mains and manholes. 	<ul style="list-style-type: none"> Flush approximately 60,000 linear feet of sewer per quarter. Provide inspection for approximately 3,000 linear feet of sewer with CCTV equipment per quarter. Inspect and clean about 250 manholes per quarter.
<ul style="list-style-type: none"> Maintain system reliability by minimizing number of customers experiencing backups. 	<ul style="list-style-type: none"> Number of customers experiencing backups is less than 0.5 percent. Develop policy to address impacts of private property inflow and infiltration.

STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 3.10 TOTAL

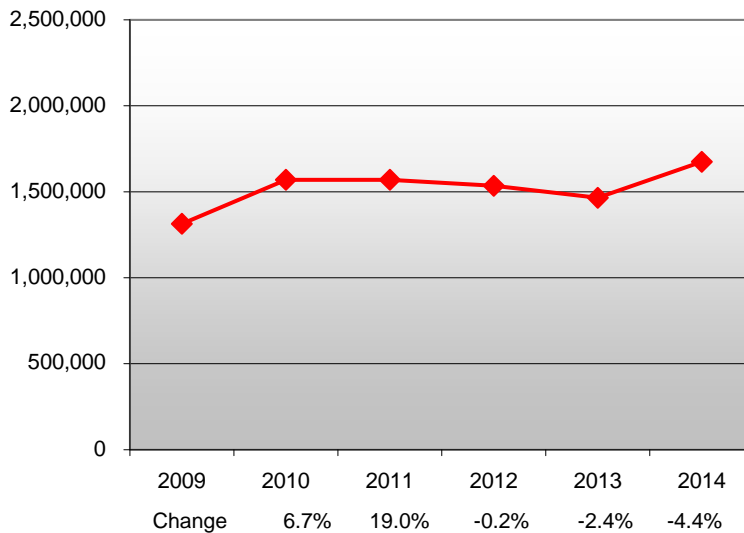
- 0.10 Public Utilities Superintendent
- 1.00 Crew Leader
- 1.00 Senior Maintenance Worker
- 1.00 Maintenance Worker

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries and Wages	\$ 134,631	\$ 138,142	\$ 144,737	4.77%
Benefits	54,897	56,313	77,008	36.75%
Professional and Contractual	1,079,519	1,200,000	1,383,000	15.25%
Materials, Supplies, and Other	42,485	68,222	68,822	0.88%
Net Expenditures				
Supported by General Revenues	\$ 1,311,532	\$ 1,462,677	\$ 1,673,567	14.42%

COLLECTION & DISPOSAL

BUDGET TREND: FY2009 – 2014

**Notes:**

- Increase in FY2009 due to increase in cost for wastewater treatment by Fairfax and Arlington.
- FY2010 reflects increased wastewater treatment costs.
- FY2014 reflects increased wastewater treatment costs

DEBT SERVICE

In FY2006, the City issued a revenue bond with the Virginia Resource Authority to finance its portion of the cost of Arlington County's wastewater treatment plant improvement. In FY2010, a general obligation bond was issued again to finance Arlington County's treatment plant improvement. Additional bonds were issued in May 2011 to finance the City's portion of the Arlington County and Fairfax County treatment plant improvement costs. These costs are included in the FY2014 budget below.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Principal	\$ -	\$ 634,175	\$ 634,093	-0.01%
Interest	481,621	482,136	456,599	-5.30%
Net Expenditures				
Supported by General Revenues	\$ 481,621	\$ 1,116,311	\$ 1,090,692	-2.29%

POST-EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to pension, the City provides health insurance and life insurance benefits of \$5,000 for employees who have both vested in the City's pension plan and retire from the City. Together, these are referred to as "Other Post-Employment Benefit" (OPEB).

For employees hired prior to April 1, 2008 the City pays 50% of the retiree's health insurance premium and 100% of the premiums for life insurance policy with the benefit vesting after either five years of credible service or eligibility to retire, whichever comes first. For employees hired on or after April 1, 2008 the City pays 20% of the retiree's health insurance premium after 10 years' credible service and the benefit increases by 2% per year up to 50% at 25 years of service.

NON-DEPARTMENTAL

In FY2008, the City began to fund its actuarial liabilities for OPEB and established a trust fund to accumulate such funds. The Sewer Fund contributed \$27,000 to the trust fund in FY2008. FY2009 through FY2012 budgets include full funding for the City's Actuarial Required Contribution (ARC) for OPEB. The following table shows the portion of this ARC that is allocable to current retirees. Throughout the Sewer Fund Expenditures budget, a portion of the ARC has been allocated to active employees. The total amount budgeted for the Sewer Fund for all active employees and retirees is approximately \$10,300. Portions of the ARC are also allocated to the employees and retirees of the General and Water Funds.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Benefits	\$ 3,400	\$ 2,500	\$ 3,000	20.00%
Net Expenditures				
Supported by General Revenues	\$ 3,400	\$ 2,500	\$ 3,000	20.00%

TRANSFERS & RESERVES

The Sewer Fund transfers funds to its Capital Improvements Project (CIP) Fund in order to pay for projects that are not debt-funded or grant-funded. In FY2014, the Sewer Fund budget includes a proposal to transfer \$450,000 to its CIP to pay for sewer main rehabilitation. These improvements are being funded out of current year revenues. An additional \$50,000 is transferred for estimated receipt of availability fees. These fees are designated for system expansion costs.

Reserves for operating and maintenance (O&M) and repairs, replacement and rehabilitation were established pursuant to the rate study performed in February 2011. Proposed funding in FY2014 is shown below.

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Transfer to CIP	\$ 400,000	\$ 900,000	\$ 500,000	-44.44%
Reserves:				
Repairs, Replacement & Rehabilitation	-	132,891	77,624	-41.59%
Net Expenditures				
Supported by General Revenues	\$ 400,000	\$ 1,032,891	\$ 577,624	-44.08%

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**FY2014 PROPOSED BUDGET
STORMWATER FUND**



The City's stormwater facilities are managed by the Department of Public Works. In 2012, the City Council directed the City Manager to develop recommendations for the creation of a storm water enterprise fund to manage the growing costs of regulatory compliance, flood mitigation, water quality improvement, and maintain aging stormwater infrastructure. Accordingly, the FY2014 Budget proposal moves stormwater costs out of the general fund into a new Stormwater Utility Fund effective July 1, 2013. Revenues for this fund will be generated by a new fee based on impervious coverage.

The management of the stormwater in the City includes administering the following programs:

- VA DEQ/MS4 Permit
- Compliance, BMP Management
- Stormwater Conveyance Infrastructure Rehabilitation/Replacement
- TMDL Compliance
- Private Development Oversight
 - Chesapeake Bay Program
 - Erosion and Sediment Control
 - Site Plan / Grading Plan Review
- Capital Improvement Program
- National Flood Insurance Program / Community Rating System Program


The Department of Public Works manages, maintains and repairs the City's storm water conveyance system. The system includes 140,000 linear feet of storm drain, 1,400 appurtenances and 8,100 feet of stream channel in the Four Mile Run and Tripps Run watersheds. In order to maintain this network, the City must comprehensively clean each storm drain line every year. This budget moves the stormwater budget into an enterprise fund that will contain revenues and expenditures necessary for ongoing maintenance and the capital program associated with the City's stormwater programs.

The City's storm water system has aged or was built with insufficient conveyance capacity and, consequently, in many parts of the City fails to adequately carry a 2-year storm event (that storm with a 50% chance of occurring during any given year). The City will address these critical needs through a comprehensive conditions assessment and planned infrastructure upgrades. City staff utilizes industry best practices in watershed and storm water management to inform decisions regarding maintenance and improvements to the system and related programs.

In addition to ongoing maintenance and repair work, the Department leads other related efforts to more effectively manage rainwater to reduce flooding and improve water quality. Moreover, City staff administer various programs and activities in order to comply with an array of related regulations that include the Federal Clean Water Act (e.g., National Pollutant Discharge Elimination System (NPDES), Municipal Separate Storm Sewer System (MS4) Permit, Total Maximum Daily Load (TMDL) and the Federal Emergency Management (FEMA) Flood Insurance Program where the City actively participates in the Community Rating System (CRS) to provide a flood insurance discount for its residents.

This FY2014 budget funds additional staff and resources to meet new federal and state stormwater regulations as well as to vastly improve the City's management of its conveyance infrastructure. By containing all expenses and revenues into an enterprise fund the City will be able to plan for and regularly bond the capital projects needed for system sustainability.

CITY VISION

 ENVIRONMENTAL HARMONY	
GOAL	Improve the performance of the storm water system to reduce flooding through effective maintenance, system upgrades, and best management practices.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Develop an implementation plan to address deficiencies for system improvements and environmental enhancements. 	<ul style="list-style-type: none"> Implement the city-wide Watershed Management Plan. City crews inspect and clean approximately 1,400 storm structures and 140,000 linear feet of storm sewer pipe annually. City crews remove an estimated 300 tons of debris from the system annually and complete priority point repairs as needed.
GOAL	Adopt and implement best management practices to reduce volume and improve quality of storm water runoff.
OBJECTIVES	KEY PERFORMANCE MEASURES
<ul style="list-style-type: none"> Meet annual NPDES requirements to improve water quality and reduce runoff and pollutant loading. 	<ul style="list-style-type: none"> Inspect all water quality Best Management Practices (BMPs) as required by MS4 permit. Meet MS4 permit requirements for municipal operations. Publish at least four articles and conduct at least eight community/school presentations related to watershed education. Maintain a consistently rated Erosion and Sediment Control Program. Maintain a consistently rated Chesapeake Bay Program. Maintain a rating 7 or better in the National Flood Insurance Program- Community Rating System.

STAFFING AND BUDGET RESOURCES

PROPOSED POSITIONS BY FTE – 9.20 TOTAL

- 0.25 Director of Public Works
- 1.50 Civil Engineer
- 0.25 Public Works Superintendent
- 1.00 GIS Professional
- 1.00 Engineering Inspector
- 0.20 Contract Manager
- 1.00 Crew Leader
- 1.00 Equipment Operator
- 1.00 Sr. Maintenance Worker
- 1.00 Maintenance Worker
- 1.00 Customer Service Clerk
- Employees are assigned from the Highways, Streets & Sidewalks crews as needed.
- Inspectors are assigned from Public Works Administration as needed.

STORMWATER FUND REVENUES

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Service Charges	\$ -	\$ -	\$ 1,706,000	-
TOTAL REVENUE - STORMWATER FUND	\$ -	\$ -	\$ 1,706,000	-

STORMWATER FUND EXPENDITURES

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Salaries and Wages	\$ 191,225	\$ 157,670	\$ 563,655	257.49%
Benefits	69,380	51,743	271,197	424.12%
Professional and Contractual	97,500	124,550	482,000	286.99%
Materials, Supplies, and Other	41,876	19,250	245,368	1174.64%
Capital Outlay	111,061	-	43,780	-
Bond issuance cost	-	-	40,000	-
Reserves:				
Operating	-	-	60,000	-
Fleet	-	-	-	-
TOTAL EXPENDITURES - STORMWATER FUND	\$ 511,042	\$ 353,213	\$ 1,706,000	382.99%

Note that the numbers shown above for FY2012 and FY2013 are the expenditures from the General Fund Budget.

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FY2014 PROPOSED BUDGET
AFFORDABLE
HOUSING FUND




AFFORDABLE HOUSING FUND

The City of Falls Church Affordable Housing Fund (AHF) provides funding both to maintain existing affordable housing and to develop additional affordable housing opportunities for City households or workers with gross income less than 120% of the median income for the Washington Metropolitan statistical area. Funds are awarded on a rolling application basis through a public process. Non-profit, for profit, or government organizations are eligible for funding.

In order to preserve the long term affordability of The Fields of Falls Church, staff is requesting that the City contribute \$80,000 annually to the Affordable Housing Fund for the next 13 years. This represents a 20% share in the cost of maintaining affordability at The Fields of Falls Church when tax credits expire.

The City is also requested to consider contributing \$200,000 annually for the next 20 years in order to acquire and preserve market rate affordable units, similar in affordability to the quadrplexes at Virginia Village.

CITY VISION

 OUTSTANDING GOVERNMENT AND PUBLIC OUTREACH	
GOAL	Create or acquire affordable housing as a means to encourage diversity.
OBJECTIVES	KEY PERFORMANCE MEASURES
• Provide bridge loans or financing to create units	• # of units created
• Provide predevelopment funds to create housing	• # of units created
GOAL	Preserve existing affordable housing as a means to maintain existing diversity.
OBJECTIVES	KEY PERFORMANCE MEASURES
• Provide bridge loans or financing to preserve units	• # of units preserved
• Provide predevelopment funds to preserve housing	• # of units preserved

STAFFING AND BUDGET RESOURCES

The activities in this fund are being carried out by the staff of Housing and Human Services. The amount budgeted in FY2014 is for the First-time Homebuyers' Program.

PROPOSED BUDGET

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Professional and Contractual	499	-	-	-
Loans and grants	-	-	283,500	-
Total Expenditures	499	-	283,500	-
Revenues				
Revenue from Use of Property and Money	835	-	-	-
Loan repayments	30,000	-	-	-
Use of Fund Balance	-	-	283,500	-
Total Revenues	30,835	-	283,500	-
Net Expenditures				
Supported by General Revenues	\$ (30,336)	\$ -	\$ -	-

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**FY2014 PROPOSED BUDGET
SCHOOL BOARD**



OPERATING FUND

The Operating Budget funds the day-to-day costs of providing our PreK-12 educational program. The FY2014 Operating Budget totals \$40,937,800, representing an increase of \$3,230,400 (8.6%) over the FY2013 budget.

This budget is designed to address the following key issues;

- Hire additional staff to address both current and projected student enrollments;
- Cover mandated expenses and increases in fixed costs/inflation;
- Provide a salary step to all eligible staff;
- Ensure as safe and secure environment for students and staff; and
- Reconfigure three school buildings as grade levels are shifted among them.

CHANGES IN THE OPERATING BUDGET	AMOUNT
Growth in Student Enrollment	\$1,408,600
Mandated Items & Fixed Cost Increases	756,800
Staff Compensation Improvement	737,500
Student Safety & Security	236,000
Inflationary Costs	184,700
Reconfiguration of Schools & Grade Levels	70,000
Technology Software & Services	54,500
Savings, Reductions, and Other Adjustments	(217,700)
Net Change in the Operating Budget	\$3,230,400

Growth in Student Enrollment: \$1,408,600

A total enrollment of 2,396 students is projected for FY2014, and represents an increase of 124 students (5.5%) over the actual student membership for the current school year. To address class sizes that have increased to 25 and higher because staff has not been added in recent years, this budget includes 11 new classroom teacher positions, 2.5 specialist teacher positions, and a 0.5 assistant principal position.

	FY2013 CURRENT STUDENTS	FY2014 PROJECTED STUDENTS	CHANGE FROM CURRENT
Mt. Daniel Elementary (PK-1)	379	393	14
Thomas Jefferson Elementary (2-4)	484	699	215
M. E. Henderson Middle School (5-7)	507	542	35
George Mason High School (8-12)	902	762	(140)
TOTAL STUDENT ENROLLMENT	2,272	2,396	124

Mandates & Fixed Costs: \$756,800

Many items included in this proposed budget are required by federal and state mandates, such as specific course offerings, special education staffing, and increases in retirement expenses.

Staff Compensation Improvement: \$737,500

This budget includes an improvement in staff compensation in the form of a step increase for all eligible staff members, which averages 3.0%.

Safety and Security: \$236,000

This category includes both the addition of contracted security services for each of our buildings, as well as restoration of coaching and assistant coaching position to cover the increased participation in student athletics.

Inflation: \$184,700

Health insurance costs will increase an average of 8% next year, while other items such as rental obligations and standing contract expenses will increase as well.

School Reconfiguration: \$70,000

Between the current school year and the next, 8th Grade will move from George Mason High School to Mary Ellen Henderson Middle School and the 5th Grade will move from Henderson to Thomas Jefferson Elementary School. This will require funds for moving expenses as well as purchasing appropriate classroom, library, and science lab materials for the buildings receiving a new grade level.

Technology: \$54,500

Given the increase number of students and staff, it will be necessary to purchase additional and upgraded software licenses, as well as ensure that adequate support service contracts are in place.

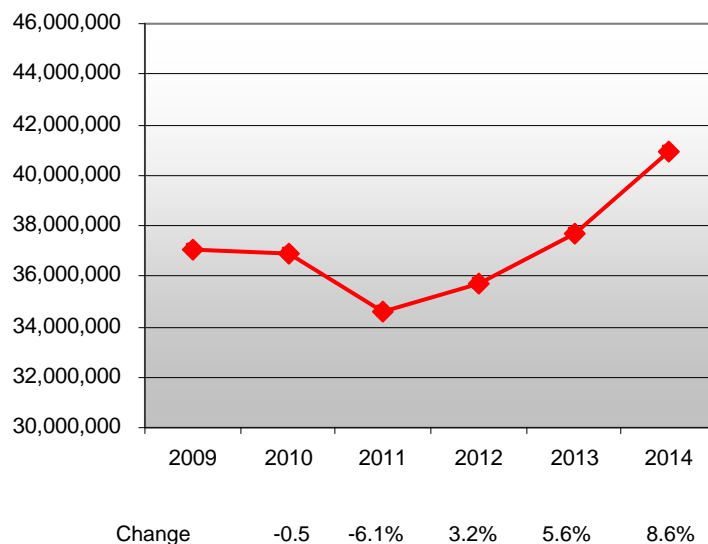
Savings, Reductions, and Other Adjustments: -\$217,700

Some FY2013 items: 1) have been reprogrammed to address FY2014 program needs; 2) represent one-time budget reductions/adjustments; or, 3) are expected to decrease between FY2013 and FY2014:

- ♦ Reduction in Other Post-Retirement Benefit costs in FY2014;
- ♦ Savings from reassigning and reorganizing personnel; and,
- ♦ Salary/benefit savings from new hires, turnover, & retirees.

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries	\$ 22,345,230	\$ 23,795,000	\$ 25,933,760	8.99%
Benefits	6,674,672	8,034,890	8,640,060	7.53%
Professional and Contractual	1,639,069	1,768,150	1,964,650	11.11%
Materials, Supplies, and Other	2,544,950	2,789,770	2,830,030	1.44%
Capital Outlay	917,770	680,590	961,300	41.25%
Transfers to Other Funds	200,942	189,000	8,000	-95.77%
Reserves	-	450,000	600,000	33.33%
Total Expenditures	34,322,633	37,707,400	40,937,800	8.57%
Revenues				
Transfer from City	27,433,000	29,475,200	33,682,700	14.27%
State Grants	2,923,822	3,105,800	3,305,600	6.43%
Sales Tax	2,092,385	2,125,000	2,169,300	2.08%
Federal Grants	885,136	503,700	456,800	-9.31%
Other	460,765	1,047,700	837,400	-20.07%
Use of Fund Balance	-	1,450,000	486,000	-66.48%
Total Revenues	33,795,108	37,707,400	40,937,800	8.57%
Net Expenditures	\$ 527,525	\$ -	\$ -	-

ADOPTED BUDGET TREND: FY2009– 2014

**Notes:**

Although the overall School Operating Budget has grown at an average annual rate of 7.3% over the last 5 years, the spending category that has experienced the greatest increase is the area of benefits, which has grown at an average annual rate of 13.5%. This is attributable to increases in payments for retirement, health insurance, and other post-employment benefits. The category of staff salaries has grown at an average annual rate of 7.4%, due to hiring additional staff to serve growing numbers of students and keeping salaries competitive with those of surrounding school divisions. Despite pressures in these categories, the FY2009 budget was held to a 4.7% by reducing/reassigning current staff and by cutting capital spending and contingency reserve.

COMMUNITY SERVICES FUND

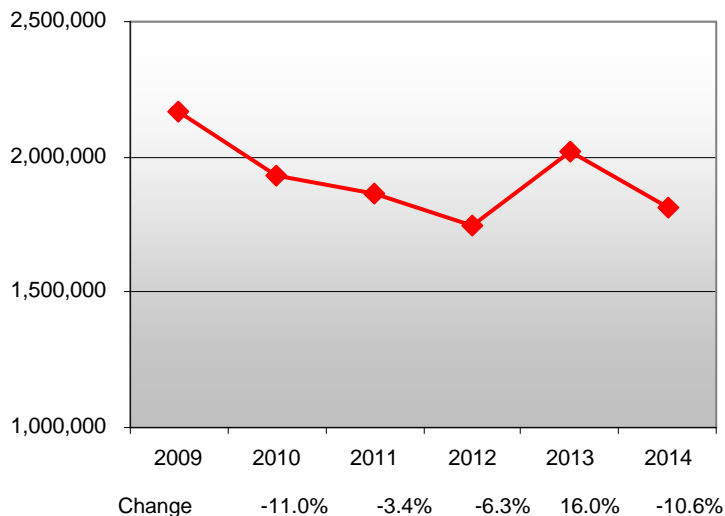
COMMUNITY SERVICES FUND

The FY2014 Community Service budget totals \$1,809,300, representing a decrease of \$213,460 (-10.6%) from the current year's budget. Next year, Community Services will include: Day Care; Business in Education (BIE) partnership; rentals and community use of facilities; and, Falls Church Education Foundation funding and activities. The FCC-TV cable television program will be transferred to the General Government

Changes in the Community Service budget result from: 1) oversight of the FCC-TV cable television function being transferred to the General Government; 2) changing revenue models from receipt of City Transfer to billing for direct expenses of Recreation & Parks Department's use of school facilities on evenings, weekends, and over the summer; and, 3) lowering the Use of Fund Balance because this was increased in FY2013 for the purchase of furniture and equipment for the new classrooms at Thomas Jefferson Elementary School.

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries	\$ 922,065	\$ 985,030	\$ 952,940	-3.26%
Benefits	195,228	232,670	246,410	5.91%
Professional and Contractual	87,511	80,460	81,400	1.17%
Materials, Supplies, and Other	138,720	184,100	184,550	0.24%
Capital Outlay	128,948	133,500	187,500	40.45%
Reserves	-	100,000	100,000	0.00%
Transfer to Operating Fund	30,000	307,000	56,500	-81.60%
Total Expenditures	1,502,472	2,022,760	1,809,300	-10.55%
Revenues				
User Fees	1,098,088	1,082,160	1,391,400	28.58%
Transfer from City	428,600	428,600	92,900	-78.32%
Other	72,341	83,500	50,000	-40.12%
Use of Fund Balance	-	428,500	275,000	-35.82%
Total Revenues	1,599,029	2,022,760	1,809,300	-10.55%
Net Expenditures	\$ (96,557)	\$ -	\$ -	-

ADOPTED BUDGET TREND: FY2009– 2014



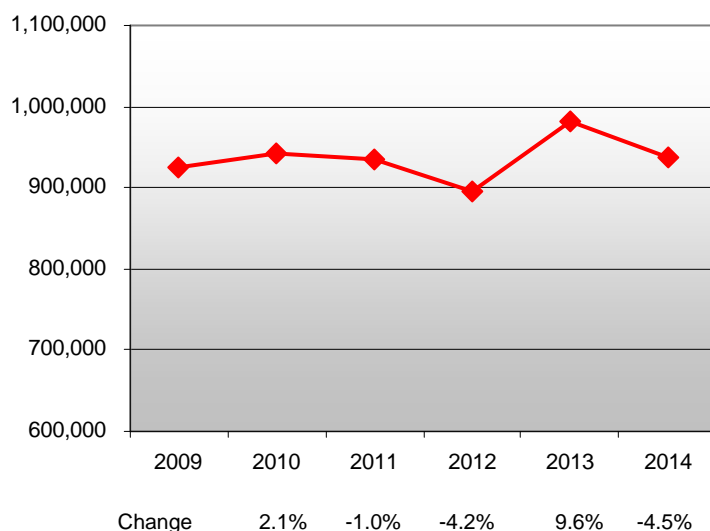
Notes: The significant growth in the FY2009 Community Services Fund is attributable primarily to an increased use of fund balance to off-set Operating Fund expenses and purchase one-time capital items such as television equipment and bleachers. Also contributing to the increase is growing community use of school facilities and salaries/benefits of staff paid from this fund.

FOOD SERVICE FUND

The adopted FY2014 Food Service budget totals \$937,600. This represents a decrease of \$86,300 (9.6%) from the current year's budget, and reflects changes in meal sales as well as continue the Summer Backpack Program.

	FY2012 Actual	FY2013 Adopted	FY2014 Proposed	Percent Change
Expenditures				
Salaries	\$ 311,673	\$ 351,410	\$ 370,970	5.57%
Benefits	104,635	117,290	139,980	19.35%
Professional and Contractual	37,292	42,650	44,000	3.17%
Materials, Supplies, and Other	277,587	342,950	322,650	-5.92%
Capital Outlay	-	47,700	-	-100.00%
Reserves	-	50,000	60,000	20.00%
Transfer to School Operating Fund	7,500	30,000	-	-100.00%
Total Expenditures	738,687	982,000	937,600	-4.52%
Revenues				
User Fees	602,246	694,700	689,500	-0.75%
State and Federal Funds	136,485	145,600	138,100	-5.15%
Other Miscellaneous	24,882	41,000	2,000	-95.12%
Transfer from School Operating Fund	3,000	3,000	8,000	166.67%
Use of Fund Balance	-	97,700	100,000	2.35%
Total Revenues	766,613	982,000	937,600	-4.52%
Net Expenditures	\$ (27,926)	\$ -	\$ -	-

ADOPTED BUDGET TREND: FY2009–2014



Notes: The increase over time in the Food Service Fund can be attributed to increases in numbers of meals served to students (i.e. growing student enrollments), staff salaries and benefits, and steadily increasing food costs driven by a variety of factors, including weather and fuel prices.

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**FY2014 PROPOSED BUDGET
5-YEAR CAPITAL
IMPROVEMENTS
PROGRAM**



Introduction

The development of the City's Five-Year Capital Improvements Program (CIP) allows the City to take the shared and competing visions for the development of our public facilities through a disciplined evaluation process. By identifying projects and capital needs several years into the future, the City accomplishes the following objectives:

- Cost estimates for long-term objectives and identified needs are linked to available resources, and placed on a schedule for implementation;
- Major expenditures are scheduled in the context of a balanced Annual Operating Budget and a five-year financial forecast.

Capital projects are defined as a new, one-time project with a useful life of more than five years, and costing \$150,000 or more; revised for FY2014 onward. The cost estimates included in the CIP are intended to capture the entire estimated project cost, including, as applicable, land acquisition, design, negotiated agreements, and construction. The total request for each project is evaluated and, based upon funding, is prioritized to meet the needs of the City.

The projects contained in the CIP support the goals and objectives outlined in the City's Comprehensive Plan and are intended to establish the long-term spending priorities identified by the City Council and are consistent with their 2025 Vision/Comprehensive Plan/Strategic Plan as well as adopted Financial Policies.

Planning Commission Recommendation

The Planning Commission (the Commission) recommends, unanimously on February 19, 2013, that the City Council approve, pursuant to Section 6.19 of the City Charter and Section 17.08 of the City Code, the FY2014-2018 CIP as presented on January 22, 2013 for all projects with the following modification:

- The Commission recommends to the City Council, on a 5-2 vote, reallocating the FY2014 \$2.4 M for the Cherry Street project to be combined with the \$5 Million for the future FY2015 Mount Daniel School Expansion Project.

Further, the Commission recommends that the Schools prepare a comprehensive plan for all school buildings that would best meet the long term capacity and maintenance needs of the schools. The Commission supports referendum(s) for additions and alterations to achieve a greater long term benefit for all school facilities rather than continuing piecemeal projects each year as well as including concept plan funding for the land area around the existing Mary Ellen Henderson Middle School and George Mason High School in the FY2014 Operating Budget.

City Manager Recommendation

The City Manager's recommended FY2014-2018 CIP retains the FY2014 \$2.4M Cherry Street Project as originally presented to the Planning Commission on January 22, 2013.

The City Council previously deliberated the school use of the current Cherry Street facility and determined that the use would be switched to the Falls Church City Public Schools (FCCPS) and the lease with the current pre-school provider would not be extended beyond November 2013. Given this Council action, the desire to not have a vacant building, and the current pre-K enrollment capacity issues, the City Manager recommends proceeding with FCCPS Cherry Street project in FY2014. However, the City Manager concurs with the Planning Commission's concept that funding be set aside for concept planning for the area around the middle and high schools.

The final modification to the CIP, from the one recommended by the Planning Commission, is that stormwater has been presented as an enterprise fund and not incorporated in the general fund. This is to ensure consistency with current Council direction. There is no change to the infrastructure projects or funding amount.

Key Policy Decisions

The Five-Year CIP for the period of FY2014 through FY2018 continues with some past commitments as well as addresses new and significant challenges. As with last year's CIP, major funding is provided for City public facility improvements, transportation improvements on the primary corridors, storm water mitigation and park improvements; primarily funded through grants or debt. ***The overarching theme this budget cycle is that, with the financial foundation stabilizing and a funding commitment to capital infrastructure, this CIP proposes initiatives for the restoration of deferred system integrity work to begin as well as establishing a long-range project and funding plan for facilities.***

The financial challenges have driven what and how projects can be funded; however, strong planning underpinnings remain important to address the long term infrastructure needs of the City.

An overview of some of the major policy discussions in this CIP are provided below:

Implementing Financial Policies:

City Council has placed a strong focus on restoring the financial stability of the City as expressed in its adopted Vision statement on Sound Finances, the FY2014 Budget Guidance and the 2011 Financial Policies. The FY2014 Budget Guidance places strong emphasis on planning for and funding the City's infrastructure.

In December 2011, the City Council adopted a revised Reserve Fund Balance Policy that sets limits on the minimum size of the reserve balance. This policy also states that reserve funds shall only be used for one-time expenditures, as opposed to recurring expenses. The resolution states:

- The unreserved, undesignated General Fund Balance goal shall be seventeen percent but not less than twelve percent of the actual General Fund expenditures for the then current fiscal year.
- The City shall establish a Capital Reserve Fund at a minimum of 5% of fixed assets or \$3.75M, whichever is lower. The City shall meet this goal by FY2021 through annual appropriations of \$500,000, and thereafter appropriate no less than \$375,000 per annum to capital reserve. The capital reserve fund balance shall be used to pay for projects in the Capital Improvements Program or for debt service for those projects.

The debt service policies were not significantly changed and can be summarized as follows:

- General Fund supported debt shall not exceed five percent of the net assessed valuation of taxable property in the City.
- Annual debt service expenditures for all General Fund supported debt shall not exceed twelve percent of total General Fund and School Board Fund expenditures.
- The term of any bond issue will not exceed the useful life of the capital project, facility or equipment for which the borrowing is intended.

It is worth noting that "debt capacity" in terms relating strictly to policy guidance does not address the separate issue of affordability within current tax rates so the CIP has been developed with both policy compliance and affordability in mind. The ratio of annual debt service to total General Fund expenditures is a constraint that bears close attention. This ratio is used by bonding agencies to assess fiscal health, and must be used by the City to assess the affordability of specific projects and the five-year CIP as a whole. The projects in this FY2014-2018 CIP stay within the City's policy constraints based on the assumptions used in this forecasting tool.

The proposed FY2014-2018 CIP is within policy compliance and within affordability range; however, all requested projects are not recommended. If all projects were included, the debt policy would not be in compliance nor would it be affordable. Additionally, more than a five year debt financed plan is required so the City can retire or reduce debt service prior to taking on additional commitments.

Fiscal Challenges:

Although there are positive signs of economic recovery local government recovery lags behind the private sector and there remain many unknowns from potential federal government down-sizing and state funding reductions. Additionally, for the City, the revenues are growing slower than expenditure growth due to pressures from several sources such as competitive employee compensation and pension liabilities. Therefore, to address capital needs in this environment the Council has committed \$1.3M/year towards fund balance and capital resources (debt and local tax pay as you go funds (PAUG)). This \$1.3M will be allocated to PAUG, Capital Reserve and Fund Balance Reserve separate funds which was initiated in FY2013. The actual dollar amounts per category are displayed on the 5-year financial projections. The value for this CIP in terms of infrastructure projects and Sound Finances are clearly demonstrated.

Recreation and Parks:

There is \$1.8M, of which \$500K is locally funded, projects in this five year CIP, for park improvements. These projects are spaced to cover one significant effort per year. The Recreation and Parks Advisory Board requested an additional \$200K for FY2015 which is not recommended due to financial constraints. There remains \$1.14M in the Open Space account if utilized within the 3-year Charter limits.

Information Technology:

The City as a whole enterprise-wide provides all communication services to its citizens on significantly aged equipment and infrastructure, which includes these segments: Public Safety, General Government operations, Public Schools, and the community public Library. The core goal of this function is to sufficiently modernize and provide appropriate IT infrastructure to properly serve the citizens of Falls Church and the greater community.

This specific project addresses Phase II: required modernization of telecommunications, critical continuity of City operations and communications between the segments, communications improvements and operational efficiencies, and needed investments for continued system maintenance and to better support communications with the citizens of the City.

Transportation:

The Transportation section includes 10 projects and is mostly funded through federal/state grants or debt funding. Last year fourteen projects were significantly revised in order to take advantage of the grants to stimulate economic development, implement the various adopted studies/plans and to prevent loss of these resources given lack of local funding; all grants provided the 100% of the match requirements. See existing project status noted separately in this section. [Note: the \$6M debt funding for the Municipal Parking Garage was re-appropriated in FY2012 so is available for private-public partnership development opportunities for 3-years through FY2014 unless activated but the debt service is not included in the CIP analysis as the cost to build is to be offset by new economic development, therefore revenue neutral.]

The Virginia legislature is currently considering funding options for state-wide and specifically, Northern Virginia, transportation costs. When this is finalized, the City will consider its own options in compliance with any new laws passed by the legislature.

City Hall/Public Safety Improvements (Expansion/Renovation/Parking):

The City Hall/Public Safety Improvements, both the expansion and the renovations, have been a long-standing facility project. The planning was funded in FY2007 to conduct the feasibility study and twenty year master facility plan. PSA Dewberry was contracted in August 2007 to conduct this study. The planning for Phase I is complete and Phase II includes refinement of space needs based on Council's July 2008 input. The first phase of planning also included an assessment of the long-term space needs for the Police Department/Public Safety Center; a review of the library and community center were included as well. Staff continued to revise options to meet basic critical needs while scaling back size and cost. After lengthy review during the FY2012 budget development process, Council adopted funding to address critical health and safety issues, improving on-site parking constraints as well as for constructing a front entrance to address security, accessibility and functionality of the

building. Additionally, Council established a City Hall/Public Safety taskforce to review the concept plans, assess needs for internal renovations and expansion at the rear of City Hall and provide recommendations to Council. This taskforce met three times last fall and recommended to the Planning Commission the CIP as adopted in FY2013-2017.

The current project costs are based on the work with cost estimates for critical renovations refined by a third party cost estimator; preliminary costs are \$1.6M for central expansion (FY2012/2013, approved), \$4.5M for rear expansion and internal reconfiguration (FY2013/2014, FY2013 funds approved) and \$4.4M for renovation (FY2012/2013/2014, FY2012/2013 approved). The FY2014 project follows on the heels of these projects in order to capture cost effective savings, provide for logical sequences of components and correct HVAC capacity as well as to preclude money spent that will be lost from a "redo". A parking shortfall exists on the City Hall campus and additional parking is required on the City campus to meet the parking needs for the Library, Community Center, Farmer's Market and citywide special events. In the FY2012-2016 CIP it was proposed to redo the rear parking lot but after additional review by staff (and preliminary taskforce review) the parking plan had a number of issues (e.g., the area behind City Hall is constrained for security fencing for turning radius/drive aisles, expansion would conflict with the new fence and loss of trees and landscaping) that an alternative option was explored.

The General Government and School Long Range Facility Master Plan is still a valid concept and the City Council and School Board held a joint work session on January 17, 2013 to discuss the current facility planning efforts and the developments of such a plan. All materials related to the facility master planning are posted to the City and School websites at: www.fallschurchva.gov/CIP and <http://bit.ly/FCCPSFacilityMasterPlan>.

Schools:

In the past the City witnessed active construction and renewal with the completion of the Mary Ellen Henderson Middle School, new science labs at George Mason High School, and the improvements at Mount Daniel Elementary School. In FY2012 and FY2013 the expansion and renovation of Thomas Jefferson Elementary School has been undertaken.

The School Board continues their long-term planning for school facility needs to prepare for the future round of construction and updated enrollment projections and facility needs in 2013. This planning effort utilized 2009 funding for an enrollment study which was consolidated into the FY2008 long-term facilities study which was completed in 2011. These two efforts form the foundation for concept options and funding for school facility planning and potential construction (new/renovation). The new Superintendent, since coming on board, has worked closely with staff and the School Board to reassess the current enrollment as well as physical maintenance and space needs and has proposed some new direction to address the facility needs within the financial constraints, the options will entail good community dialog on the revised facility plan. The School Board adopted their recommended \$113.5M 5-year Facility CIP on January 8, 2013. The proposed FY2014-2018 CIP does not recommend funding the George Mason High School and Mary Ellen Henderson Middle School projects not because they are not warranted but rather the \$104.5M within this five year CIP is not within policy limits and such large debt service is not affordable within the operating budget; these projects need to be considered in conjunction with potential economic development opportunities.

Library:

The Mary Riley Styles Library Board of Trustees submitted a capital project for the expansion of the existing library by purchasing additional land/buildings, adding 8,000 square feet to the existing facility using the purchased property, and adding a parking lot for use by the library. The library building is largely unchanged from its original construction in 1957. The children and technical processing wing was added in 1968 and, in 1993, an addition to the southeastern corner of the building added space for a small conference room, offices and administrative services. Since the 1993 addition, the library has provided steadily increasing services to a growing number of patrons both in the building and through outreach in the community.

The project is included in the proposed CIP but at a modified schedule, from the Board of Trustees recommendation, given that the approved FY2013 facility and programming study is not completed which will update the 2008 Feasibility Study as well as review changes in technology, utilization of hard copy circulation materials and programming group activity areas in terms of reconfiguring existing area and expansion design. See update on this existing project current status later in this section.

Storm Water Infrastructure:

In many parts of the City, the storm water system is aging, undersized, and unable to convey the standard 10-year storm event. These deficiencies result in frequent flooding along some City streets and damage to private property. As the City carries out repairs to its existing storm water infrastructure, there will be opportunities for the implementation of measures that will improve water quality. As appropriate to individual circumstances, this might include daylighting streams, creating bio-engineered streambeds and storm water detention and infiltration systems. Having significant CIP funding for storm water improvements increases the ability to implement necessary water quality measures and infrastructure replacement/upgrades. In the FY2014 proposed budget, stormwater has been presented as a separate enterprise fund based on Council's current direction. In FY2014 through FY2018 the full CIP storm water project is proposed to be funded with debt and the debt service would be paid from revenues of the proposed enterprise. The Watershed Management Plan, authorized by Council, has been adopted and the recommendations of this Plan will help formulate a strategy for projects and funding for the ongoing CIP efforts. Council is currently working through project level of effort and funding options; therefore, the CIP funding source is noted as "only if grant/revenue offset". However, through two federal grants (FFY09 and 10 State and Tribal Assistance Grants [STAG]) the City will be able to address some of the most critical needs.

Water Fund:

Principal challenges to the Water Fund are capital costs associated with system improvements and expansion to meet future demand, as well as capital costs incurred by our regional partners. The Water Utility Master Plan, updated in February 2011, guides the CIP program. Due to the potential sale of the water system, pending outcome of November 2013 voter referendum, there are no projects included in the FY2014 portion of the CIP but all needed projects are documented for demand projections and associated improvement projects through 2050 for transmission main, storage, and pumping station projects.

Sewer Fund:

The Sewer Fund is impacted by EPA-mandated projects to upgrade the Arlington and Alexandria wastewater treatment plants that our system uses. In addition, the purchase of additional wastewater treatment capacity to accommodate projected future flows resulting from development in the City will impact the Fund, as well as plans to increase the reserve fund for sewer rehabilitation.

Ongoing CIP Project Implementation

Although the CIP was defunded three years ago of \$4.6M PAUG funds there are still significant Open Space, Stormwater and Transportation federal and state funding for projects that will provide great benefits to the City. The following provides an update on the CIP January 2013 projects status authorized for FY2013 and prior.

Recreation and Parks:*Park Master Plan Implementation**Lincoln Park Improvements*

<u>Scope:</u>	replace play equipment; make fully ADA accessible
<u>Cost:</u>	initial cost estimate \$200k; (note: \$26k insurance claim to be filed)
<u>Schedule:</u>	Construction: Spring, 2013
<u>Status:</u>	Awaiting purchase order – contract will be signed in the next few weeks

Other visible items master park funding planned, but not requiring Council action:

Frady Park Gazebo Replacement

<u>Scope:</u>	Frady Park Gazebo was destroyed in Derecho storm
<u>Cost:</u>	\$32,300 (insurance claim for \$30k has been received)
<u>Schedule:</u>	Complete by January 2013
<u>Status:</u>	COMPLETED November 2012

Berman Park Trail Re-paving, Irving to Kent Streets

Scope: new pavement for trails in Berman Park
Cost: \$35,000
Schedule: Completion Spring 2013
Status: Half of the trail is completed; second half will be completed in the spring of 2013

TJ Soccer Field Turf Repair

Scope: replace sod with bermuda grass (similar to Madison Park)
Cost: \$35,000
Schedule: Completion Fall 2013 (at end of TJ Expansion project)
Status: On schedule

Tennis Court and Basketball Court Major Restoration

Scope: new surface overlay and painting for all exterior courts
Cost: \$100,000
Schedule: Completion: Spring 2014
Status: On schedule

George Mason High School Softball/Baseball Field Lights

Scope: install new lights and poles at GMHS Baseball and Softball Fields
Cost: \$360,000 (City funds: \$110,000)
Schedule: installed and operational for spring 2013 season
Status: On schedule – poles installed – waiting for final connection

Storm Water Projects*100 Block West Broad Repair*

Scope: Repair collapsed pipe in front of BB&T and create capacity within the existing system in order to mitigate local street flooding in 100 block of W. Broad
Cost: Preliminary designs and costs estimates underway
Schedule: Survey: Complete
 Engineering Design: Underway
 Construction Start: June 2013
 Project Completion: October 2013
Status: City consultant is currently preparing design alternatives for consideration

Reagan Branch 42" Storm Water Pipe Replacement

Scope: Replace 260 linear feet of aged and degraded 42" pipe on the TJ Elementary School Campus
Cost: \$116,000
Schedule: Survey: Complete
 Engineering Design: Underway
 Construction Start: Concurrent with TJ Construction Project
 Project Completion: Concurrent with TJ Construction Project
Status: Staff has approved the design of the pipe and has issued a change order for construction to the Schools' contractor

Douglas Avenue Water Detention Project

Scope: Rebuild storm water conveyance in basin to mitigate flooding on the street and surrounding businesses located in Tower Square shopping center
Cost: \$350,000 (preliminary estimate)
Schedule: Survey: January 2013
 Engineering Design: January 2013

Status: Construction Start: July 2013
 Project Completion: December 2013
 Storm Sewer CCTV complete
 City is in the process of procuring design services

City Hall Campus Water Detention Project

Scope: Detain stormwater run-off from City Hall Campus to reduce flooding on neighboring downstream properties (Phase 1)
Cost: \$470,000 (preliminary estimate)
Schedule: Survey: Complete
 Engineering Design: Underway
 Construction Start: August 2013
 Project Completion: May 2014
Status: Engineering Design Underway

Pearson Branch Stream Restoration

Scope: Provide a stabilized stream channel and banks through natural stream design
Cost: (see Coe Branch Daylighting)
Schedule: Survey: Completed
 Engineering Design: Underway
 Construction Start: February 2014
 (Tied to Coe Branch Daylighting Project)
 Project Completion: April 2014
 (Tied to Coe Branch Daylighting Project)

Coe Branch Daylighting

Scope: Create a new, natural stream channel with plantings to improve water quality and create an attractive feature in Howard Herman Stream Valley Park. The existing underground pipes will be used during high water events to mitigate area flooding
Cost: Combined with Pearson Project, above: \$1.8 million, funded by EPA grant
Schedule: Survey: Spring 2013
 Engineering Design: Fall 2013
 Construction Start: February 2014
 Project Completion: April 2014
Status: Procurement underway for Engineering Design Services

Other: Maintenance point repairs throughout City system.

Purchase of pipe camera: \$100,000 to allow inspection, correct small problems before they become big, expensive problems.

Transportation

West Broad and Pennsylvania Ave Signal

Scope: Install new traffic signal at Pennsylvania and Broad and ancillary crosswalks and streetscape amenities.
Cost: \$300,000 for Signal (proffers: \$100,000 and City funds)
 \$185,000 for associated sidewalk and streetscape improvements (Federal TEA-21 Grant)
Schedule: Survey: Completed
 Engineering Design: January through May 2013
 Construction Start: January 2014
 Project Completion: June 2014
Status: This project is being combined with the streetscape improvements along the 400 block of N. Broad St., which is a federally funded project. Because of more involved federal review requirements, the design & review process will take longer. Additionally, VDOT will not allow the design PO to be issued to Sabra Wang under their current on-call

contract, so we are waiting for the new contract to be in place before the design can begin.

MEHMS Traffic Flow Improvements

Scope: Provide new exit from MEHMS, to reduce traffic volume and car/pedestrian conflicts on the school campus
Cost: Safe Routes to Schools Project Funds: \$97,000
Schedule: Construct Summer 2013
Status: This project requires coordination between the City, Fairfax County, Metro, and VDOT, which may extend the timeline. The City is currently working to identify ownership of the access road (Metro is unsure whether they own all the way out to Route 7)

Roosevelt Avenue Intersection and Sidewalk Improvements

Scope: Improve safety at Roosevelt Blvd and Roosevelt St; enhance pedestrian linkage from Roosevelt to Broad (including access to Fort Taylor Park)
Cost: \$450,000 (\$300,000 RSTP funds; \$145,000 Highway Safety funds)
Schedule: PE: Ongoing
 Advertise for Bids: July 2013
 Complete: 2014
Status: Project is on schedule. Survey work has been completed and draft designs are now being developed.

N. West Street Sidewalk Project

Scope: Install new sidewalks on the western side of N. West Street.
Cost: Safe Routes to Schools Project Funds: \$361k (with option to use RSTP and SYIP Funds to increase)
Schedule: Construct Summer 2013
Status: City staff held a public meeting in November with residents of the street. Based on the results of that meeting, Council opted to proceed with the PE. Survey work will begin in mid January.

South Washington Street Improvements

Scope: Construct intermodal plaza at Hillwood and S. Washington; install traffic signals, pedestrian crossings, and ADA curb ramps at Maple, Greenway; and (possibly) Tinner Hill intersections; improve bus stops on S. Washington St.
Cost: \$2,085,000 in state (DRPT) and federal (FTA) funding; and \$490,000 in state SYIP funds for Maple Ave signal.
Schedule: Conceptual design complete: February 2013
 Advertise for Bids: October, 2013
 Complete: January 2015
Status: Public meeting held on January 11 to review draft concepts for the plaza

Route 7 High Capacity Transit Study

Scope: This is the first phase of an Alternatives Analysis to develop an understanding of the potential for high capacity transit in the Route 7 corridor from Tysons to Alexandria
Cost: \$437,500 – total phase 1 cost (federal, state and local money)
 \$10,937 – City of Falls Church share of the required local match
Schedule: Phase I completion expected by October 2013
Status: The NVTC is managing this project on behalf of the region. Jurisdictional staff is working with the NVTC and the consultant, Parsons Brinckerhoff, on the Technical Advisory Committee. Note that only the first phase of the AA has funding. Additional funding is needed to complete Phase II of the project, which will identify the preferred alternative and route for high capacity transit

Traffic Signal Management System

Scope: The first phase of this project is to tie all city-owned traffic signals into a centralized computer network to facilitate signal coordination and efficient repairs. The second phase will bring video from select signals

Cost: \$567,100 (preliminary estimate)
Schedule: Survey: Phase 1 – Complete / Phase 2 – December 2013
 Engineering Design: Phase 1 – Complete / Phase 2 – Spring 2014
 Construction Start: Phase 1 – Feb 2013 / Phase 2 – Summer 2014
 Project Completion: Phase 1 – July 2013 / Phase 2 December 2014
Status: Phase 1 Construction has been procured and will begin in February. Phase 2 will be funded through an FY14 RSTP grant, which will be in October 2013 – No action on Phase 2 of this project will occur prior to this

Roadbed Assessment

Scope: Rebuild and resurface roadways that are either poorly constructed or roadways that have reached the end of their structural life. This project is comprised of several allocations of Revenue Sharing Grant Monies.
Cost: \$2,892,496 (preliminary estimate)
 The City has a total of \$1,292,496 Existing Revenue Sharing Funds. In addition, the City has applied for \$1.6M of additional funding for Phase 2, which would become available in October 2013.
Schedule: Survey: Phase 1 – May 2013 / Phase 2 – May 2014
 Engineering Design: Phase 1 – May 2013 / Phase 2 – May 2014
 Construction Start: Phase 1 Sept 2013 / Phase 2 Sept 2014
 Project Completion: November 2015
Status: The City's engineering consultant has completed field testing of select roadways as well as a draft roadbed assessment report. This report lays out the initial roadways to focus City efforts. Staff is currently reviewing the consultant's recommendations and developing a scope for the first phase of implementation.

Other: 1 - Bus Stop Improvements: 2016
 2 - N. Washington St Gateway Improvements: Project in pending queue/ completion target-January 2016
 3 - Gresham Place Signal Upgrade: Project in pending queue/ completion target-January 2016

Facilities*Thomas Jefferson Expansion*

Scope: Addition of 15 classrooms at TJ Elementary School
Cost: \$5.95 million
Schedule: Construction underway
 Completion, Summer 2013
Status: Construction project on schedule

Thomas Jefferson Renovation

Scope: Renovation of existing TJ Elementary School
Cost: \$4 million
Schedule: Completion, Summer 2013
Status: Construction project on schedule; coordination with development services staff and the community continue to minimize impact while working efficiently to complete before next school year although some minimal renovation may lapse into early fall.

Library Space Needs Study

Scope: Study of the future space needs for City Library
Cost: \$100,000
Schedule: Funding proposed in FY13 CIP Budget Amendment approved
 Completion: Summer 2013
Status: Procurement RFP process closes end of January 2013 and pre-bid meeting had good response

City Hall/ Public Safety Renovations Phase I

Scope: Sprinkler fire suppression; IT server room fire suppression; correct water inflow foundation repairs; roof repairs for ice damming, gutter replacement; elevator replacement; Police evidence storage, Police IT Server Room HVAC;
Cost: \$1M
Schedule: Underway; Completion Summer 2013
Status: IT Sprinkler System scheduled for March install; chimney replacing facing plus water leakage repairs completed; gutter/downspouts completed with snow rail phase under procurement; elevator RFP scoping started

City Hall/ Public Safety Renovations Phase II

Scope: Phase 2 roof repairs for ice damming, energy efficient window replacement, water inflow Phase 2 foundation repairs, energy efficient HVAC systems for existing building and potential expansion
Cost: \$3.4M
Schedule: Completion for renovations Fall 2013; HVAC Summer 2014
Status: RFP for architectural design/engineering and construction bid docs pending resolution of Ordinance 1882 requirements regarding long range facility master planning and retaining long term use of City Hall prior to issuing debt

City Hall/ Public Safety Expansion & Parking (Front/Rear)

Scope: Add new central front entrance to City Hall and add meeting rooms to address security, accessibility and way-finding needs. Add below grade parking spaces for Police, Sheriff, and Judge
Cost: \$1.6M front and \$1.2M parking
Schedule: Joint Schools General Government Facility Plan: November 2012; Issue RFP for Design and Engineering Summer 2013
Status: RFP for architectural design/engineering and construction bid docs pending resolution of Ordinance 1882 requirements regarding long range facility master planning and retaining long term use of City Hall prior to issuing debt

Information Technology

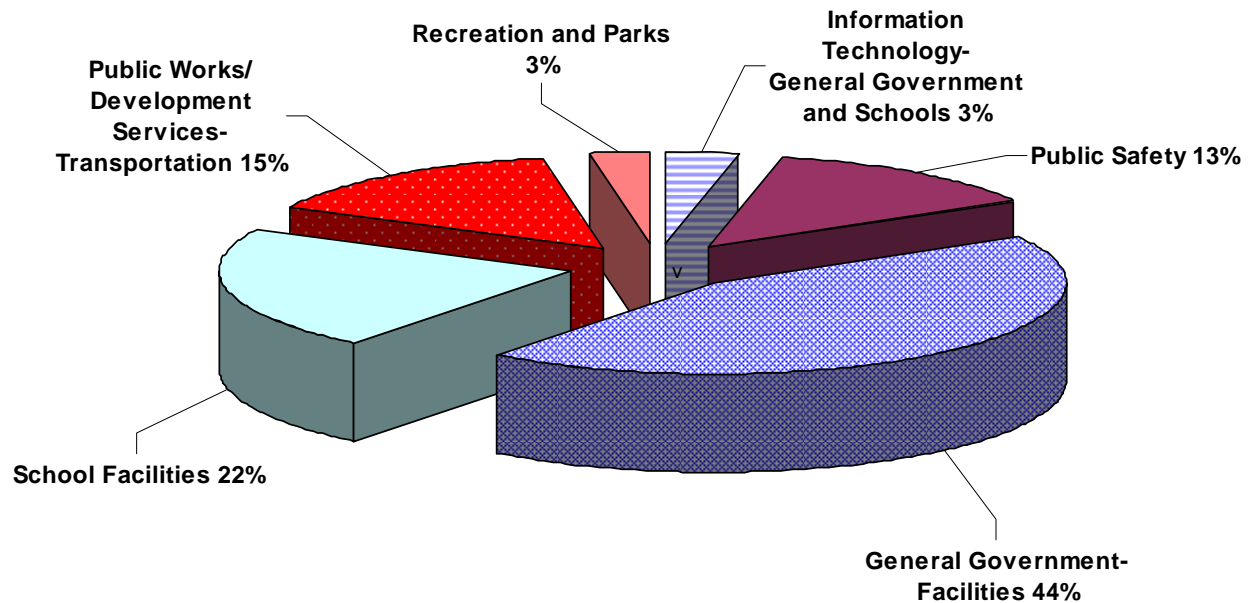
General Government/Schools Infrastructure Telecommunications

Scope : Phase 1 FY13 funding is to replace aged out Police Communications (Dispatch) Computer Aided Dispatch and phone system. Also the \$50,000 portion is to correct failing network fiber and copper lines between City Hall and the Library
Cost: \$550,000
Schedule: Design- 4th quarter FY2013; Completion by 2nd quarter FY2014
Status: Police are developing CAD system requirements for project scope and procurement can proceed. This includes key police and IT personnel conducting site visits to similar police departments in the region

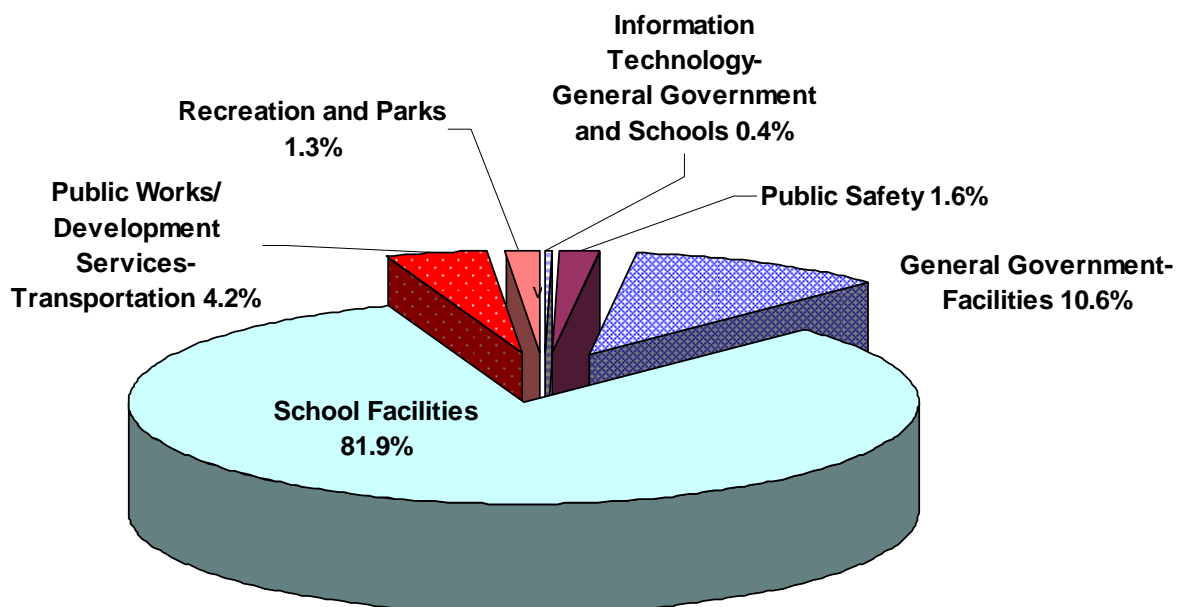
General Fund CIP Projects by Functional Categories

The charts below depict the various types of projects by functional categories or departments and portrays the percentage of funding allocated in FY2014 as well as for the full 5-year CIP. All funding sources, grants, debt, alternative funding sources and debt, are combined for this analysis. Over the 5-year planning horizon the large functional categories demonstrate proportional fair share funding treatment required to address the deferred investment in the City's infrastructure.

**Capital Improvements Program General Fund FY2014
(All Funding Sources)**



**Capital Improvements Program General Fund FY2014-FY2018
(All Funding Sources)**



Process

The requirement for the annual consideration and adoption of a five-year Capital Improvements Program is provided in Section 6.19 of the City Charter, and Section 17.08 of the City Code. The inset below contains the relevant Code and Charter provisions:

Sec. 17.08. ... The city manager shall subsequently submit to the commission a proposed capital improvements program together with a report on the financial condition of the city, insofar as it may relate to any contemplated capital fund projects. In the preparation of its capital improvement recommendations, the commission shall consult with the city manager, the school board, the heads of departments and interested citizens and organizations, and shall hold such public hearings as it shall deem necessary. It shall submit its recommendations to the city council, at such time as the council shall direct, together with estimates of cost of such projects and the means of financing them, to be undertaken in the ensuing fiscal year and in the next four (4) years.

Sec. 6.19. Capital budget.

At the same time that he submits the current expense budgets, the city manager shall submit to the council a program previously acted upon by the city planning commission, as provided in Chapter 17 of this Charter, of proposed capital improvement projects, including schools, as defined in section 7.02 of this Charter, for the ensuing fiscal year and for the four (4) fiscal years thereafter, with his recommendations as to the means of financing the improvements proposed for the ensuing fiscal year. This program shall be termed the "capital budget" and may be adopted by resolution.

The development of the CIP starts with each department head submitting to the City Manager a detailed listing of all immediate and long-range capital improvement needs, together with cost estimates and recommendations as to priority and timing of the projects listed. An additional factor to be considered is that CIP projects that are inactive for three fiscal years are either eliminated or must be re-appropriated. The specific code section relevant to this issue is:

"No appropriation for a capital improvement project contained in the capital budget shall lapse until the purpose for which the appropriation was made shall have been accomplished or abandoned, provided that any project shall be deemed to have been abandoned if three (3) fiscal years elapse without any expenditure from or encumbrance of the appropriation therefor."

Staff presented the proposed CIP to the Planning Commission on January 12, 2013. The Planning Commission evaluated the proposed CIP in the context of the Comprehensive Plan, and held public hearing(s) to obtain community input on January 22, February 4 and February 19, 2013. The Planning Commission also conducted work sessions on February 4 and February 11, 2013. The Planning Commission adopted their recommendation, as noted above, on February 19, 2013.

The adoption of the CIP by the City Council signifies the Council's identification of a set of priorities for capital spending over a five-year period. Bond funding and execution of multiple year projects should be based on an assumed approval of the CIP for all five years. Upon adoption by the Council, the Operating Budget and the Capital Improvements Program goes into effect at the new fiscal year starting on July 1, 2013. However, the City Council may delay or limit the construction or improvement of any proposed project over the course of the five-year period as economic conditions, available resources, and needs may dictate with special consideration given to the multi-year project funding as noted above.

GENERAL FUND AND SCHOOL BOARD

	FY2014	FY2015	FY2016	FY2017	FY2018	5 Yr Project Totals
INFORMATION TECHNOLOGY						
Public Safety Radios - FY2015 \$780K						
Not Recommended pending analysis	-	-	-	-	-	-
Public Safety PSAP Center - FY2016 \$850K						
Not Recommended pending analysis	-	-	-	-	-	-
General Government/ Schools						
Infrastructure/Telecommunications	\$507,500	-	-	-	-	507,500
Total Information Technology	507,500	-	-	-	-	507,500
PUBLIC SAFETY						
Fire Station 6 Upgrades (windows/bay doors)	538,048		-		-	538,048
Fire Station 6 HVAC	-	200,000	-	-	-	200,000
Fire Department Engine	570,000	-	-	-	-	570,000
Fire Department Ladder Truck	950,000	-	-	-	-	950,000
Total Public Safety	2,058,048	200,000	-	-	-	2,258,048
TRANSPORTATION						
Washington & Old Dominion Trail Improvements	-	150,000	-	-	-	150,000
Street Sign Replacement Retroreflectivity (Federal Mandate)	75,000	75,000	75,000	50,000	-	275,000
Bridge Replacement (local match)	50,000	20,000	10,000	-	-	80,000
Bridge Replacement (grant)	-	640,000	320,000	-	-	960,000
Utility Relocation Modified	220,000	695,000	100,000	100,000	100,000	1,215,000
Traffic Signal Management System*	300,000	-	-	-	-	300,000
Roadbed Assessment and Reconstruction (local match)*	800,000	-	-	-	-	800,000
Roadbed Assessment and Reconstruction (Revenue Sharing grant)	800,000	-	-	-	-	800,000
Pedestrian, Bicycle, and Traffic Calming Improvements (RSTP)	-	300,000	300,000	300,000	300,000	1,200,000
Total Transportation	2,245,000	1,880,000	805,000	450,000	400,000	5,780,000

FY2014 PROPOSED BUDGET

5-YEAR CAPITAL IMPROVEMENTS PROGRAM

GENERAL FUND AND SCHOOL BOARD – Continued

	FY2014	FY2015	FY2016	FY2017	FY2018	5 Yr Project Totals
PUBLIC FACILITIES						
General Govt Facility Reinvestment Modified	305,000	350,000	200,000	350,000	350,000	1,555,000
City Govt City Hall/Public Safety Expansion (Rear Project)	3,825,000	-	-	-	-	3,825,000
General Govt City Hall/Public Safety Critical Renovations	2,603,500	-	-	-	-	2,603,500
Library Expansion Modified Recommendation	-	2,800,000	-	-	3,950,000	6,750,000
Schools Replacement/Modernization School Board adopted 1-08-13; Modified	-	-	200,000	400,000	-	600,000
Pre-School Cherry Street Property Renovations School Board adopted 1-08-13	2,400,000	-	-	-	-	2,400,000
Mount Daniel Elementary School Expansion/ ADA Renovations- School Board adopted 1-08-13	1,000,000	5,025,290	-	-	-	6,025,290
George Mason High School Construction- School Board adopted 1-08-13; Modified, only if \$	-	500,000	99,000,000	-	-	99,500,000
GMHS/ MEH Campus Safety and Security Fence- Addressed in FY13 BA	-	-	-	-	-	-
MEH Schools Construction- School Board adopted 1-08-13; Modified, only if \$	-	-	-	5,000,000	-	5,000,000
Total Public Facilities	10,133,500	8,675,290	99,400,000	5,750,000	4,300,000	128,258,790
RECREATION & PARKS/ FIELDS						
Park Master Plan Implementation Modified, FY16- \$0	-	200,000	-	-	300,000	500,000
Howard E Herman Stream Valley Park	-	-	100,000	448,000	-	548,000
West End Park Dev	430,000	-	-	-	-	430,000
George Mason Synthetic Turf Replacement (joint project with FCCPS; \$200K each)	-	-	400,000	-	-	400,000
GMHS Field Track Resurface (SB adopted 1-08-13) Not Eligible CIP/Not Recommended	-	-	-	-	-	-
Total Recreation & Parks/Fields	430,000	200,000	500,000	448,000	300,000	1,878,000
TOTAL GENERAL FUND	\$ 15,374,048	\$ 10,955,290	\$ 100,705,000	\$ 6,648,000	\$ 5,000,000	\$ 138,682,338
SOURCES						
Grant/Other Funded	\$ 1,100,000	\$ 940,000	\$ 620,000	\$ 300,000	\$ 300,000	\$ 3,260,000
Total Debt Financed	13,674,048	8,740,290	610,000	548,000	4,050,000	27,647,338
Only if grant/revenue offset	-	650,000	99,000,000	5,000,000	-	104,650,000
Total "Pay as you go" Financed	600,000	625,000	475,000	800,000	650,000	3,125,000
TOTAL SOURCES	\$ 15,374,048	\$ 10,955,290	\$ 100,705,000	\$ 6,648,000	\$ 5,000,000	\$ 138,682,338

WATER FUND

	Prior Year Appropriated Funding	FY2014	FY2015	FY2016	FY2017	FY2018	5Yr Project Totals
WATER UTILITY							
Kirby Rd Water Main (Chesterbrk-George Mason PS)	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 2,200,000	\$ 2,200,000
Kirby Road (CB to Chesterbrook)	5,230,000	-	-	3,600,000	2,670,000	-	6,270,000
McLean Pumping Station Improvements	3,200,000	-	1,700,000	-	-	-	1,700,000
Water Main Replacement Program	9,330,402	-	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
Dolley Madison-McLean PS Water Main	200,000	-	-	1,200,000	-	-	1,200,000
Tysons Tank No.1 (Tysons to Tank 2 Wtr Main)	-	-	-	750,000	575,000	-	1,325,000
Tysons Tank No. 2	100,000	-	700,000	2,000,000	3,000,000	500,000	6,200,000
Scotts Run PS Modification	-	-	-	-	-	340,000	340,000
TOTAL WATER UTILITY	\$ 18,260,402	\$ -	\$ 4,400,000	\$ 9,550,000	\$ 8,245,000	\$ 5,040,000	\$ 27,235,000
<i>Total Debt Funded</i>	\$ 18,260,402	\$ -	\$ 4,400,000	\$ 9,550,000	\$ 8,245,000	\$ 5,040,000	\$ 27,235,000
TOTAL SOURCES	\$ 18,260,402	\$ -	\$ 4,400,000	\$ 9,550,000	\$ 8,245,000	\$ 5,040,000	\$ 27,235,000

SEWER FUND

	Prior Year Appropriated Funding	FY2014	FY2015	FY2016	FY2017	FY2018	5Yr Project Totals
SEWER UTILITY							
Fairfax Wastewater Treatment Plant Upgrades Phase II	\$ 1,763,425	\$ 1,025,463	\$ 797,284	\$ 653,519	\$ 653,519	\$ 313,549	\$ 3,443,334
WWTP Capacity Expansion	-	-	5,600,000	-	-	-	5,600,000
Falls Church Sewer Rehabilitation	1,600,000	450,000	500,000	550,000	600,000	650,000	2,750,000
TOTAL SEWER UTILITY	\$ 3,363,425	\$ 1,475,463	\$ 6,897,284	\$ 1,203,519	\$ 1,253,519	\$ 963,549	\$ 11,793,334
<i>Total Debt Funded</i>	\$ 3,363,425	\$ 1,025,463	\$ 6,397,284	\$ 653,519	\$ 653,519	\$ 313,549	\$ 9,043,334
"Pay as you go"	-	450,000	500,000	550,000	600,000	650,000	2,750,000
TOTAL SOURCES	\$ 3,363,425	\$ 1,475,463	\$ 6,897,284	\$ 1,203,519	\$ 1,253,519	\$ 963,549	\$ 11,793,334

STORMWATER FUND

	FY2014	FY2015	FY2016	FY2017	FY2018	5Yr Project Totals
STORMWATER UTILITY						
Stormwater Facility Reinvestment	\$ 1,800,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 11,300,000
TOTAL STORMWATER UTILITY	\$ 1,800,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 11,300,000
<i>Total Debt Funded</i>	\$ 1,800,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 11,300,000
TOTAL SOURCES	\$ 1,800,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 11,300,000

5-YEAR PROJECTION GENERAL FUND

	FY2012 Actual	FY2013 As Amended	FY2014 As Proposed	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected
Total Revenues	\$ 67,474,463	\$ 72,312,504	\$ 74,986,375	\$ 76,861,034	\$ 78,398,255	\$ 80,358,211	\$ 81,965,376
Contributions for Fund balance	-	1,400,000	400,000	375,000	300,000	300,000	100,000
Capital Reserve	-	186,000	300,000	300,000	400,000	300,000	500,000
Paygo		200,000	600,000	625,000	600,000	700,000	700,000
General Fund Expenditures*	60,617,846	70,726,504	73,686,375	76,186,034	77,698,255	79,758,211	81,365,376
Capital Improvement Program							
Capital Improvement Expenditures	(1,197,634)	(17,216,947)	(15,374,048)	(10,955,290)	(100,705,000)	(6,648,000)	(5,000,000)
Transfers in fom General Fund	200,000	2,300,076	-	-	-	-	-
Capital project fund balance**	-	64,251	-	-	-	-	-
Use of Paygo Reserves	-	200,000	600,000	625,000	475,000	800,000	650,000
Proceeds from capital grant funds	356,949	5,326,120	1,100,000	940,000	620,000	300,000	300,000
Proceeds from bond sale	7,450,000	9,326,500	13,674,048	8,740,290	610,000	548,000	4,050,000
Only if grant/revenue offset		-	-	650,000	99,000,000	5,000,000	-
Net Cash Flow from CIP	6,809,315	-	-	-	-	-	-
Unassigned Fund Balance, beginning	7,041,658	10,721,696	12,121,696	12,521,696	12,896,696	13,321,696	13,646,696
Unassigned Fund Balance, end of year	10,721,696	12,121,696	12,521,696	12,896,696	13,321,696	13,646,696	13,821,696
Capital Reserve Fund Balance	186,000	126,000	366,000	600,000	1,000,000	1,300,000	1,800,000
Paygo Reserve Fund Balance	-	-	-	-	125,000	25,000	75,000

KEY RATIOS**Fund Balance**

Gen Govt Fund balance as % of expenditures	17.7%	17.1%	17.0%	16.9%	17.1%	17.1%	17.0%
Policy Target (17% of Expenditures)***	10,305,034	12,023,506	12,526,684	12,951,626	13,208,703	13,558,896	13,832,114
Undesignated Fund Balance, end of year	10,721,696	12,121,696	12,521,696	12,896,696	13,321,696	13,646,696	13,821,696

Debt Service

Existing	3,736,568	4,157,436	4,203,351	3,215,991	3,235,100	3,221,075	3,274,140
New****	186,000	50,000	266,703	1,642,946	2,128,461	2,482,319	2,564,183
Total	3,922,568	4,207,436	4,470,054	4,858,937	5,363,561	5,703,394	5,838,323

Debt service as % of expenditures	6.5%	5.9%	6.1%	6.4%	6.9%	7.2%	7.2%
Policy Limit (12% of Expenditures)	7,274,142	8,487,180	8,842,365	9,142,324	9,323,791	9,570,985	9,763,845

*Expenditures are based on a balanced budget and are not based on current projections of FY2014 through FY2018 expenditures.

**Available funds in the Capital Project Fund. Consist of funds previously appropriated but not expended for other projects.

***New policy effective December 12, 2011.

****3.25%-4.25% Interest rate used for debt service calculation

IMPACT ON OPERATING COSTS

The following describes impacts on operating costs of the adopted five-year program:

A. GENERAL FUND AND SCHOOL BOARD

1. **Information Technology:** Over time there will be a decrease in staff time due to implemented efficiencies and reduced maintenance costs; after initial five-year warranty period there would be nominal new maintenance support cost.
2. **Public Safety:** Improved window and door insulation and operations will reduce maintenance and utility costs. The same operational savings applies to fire apparatus replacements.
3. **General Government City Hall/Public Safety Improvements:** It is estimated that the impact on operating costs will be minimal. Better design and layout of the building and newer technology will result in process and energy efficiencies. However, this will be offset by an increase in building size.
4. **Library Expansion:** Minor increases in utility costs and maintenance costs are expected with the expansion of the Library; however, there will be no requirement for additional staff.
5. **Schools Construction:** The proposed renovations and expansion of three school facility sites are anticipated to produce 5-25% cost savings due to modernization efficiencies and reduced utility costs.
6. **General Government Facility Construction:** The proposed renovations and expansion of City Hall/Public Safety as well as system reinvestment in the other 21 facilities are anticipated to produce 5-15% cost savings due to modernization efficiencies and reduced utility costs.
7. **Street Sign Replacement Retroreflectivity:** No immediate cost impact but signs have a limited useful life so regular replacement on a 5 to 10 year cycle is required.
8. **Pedestrian, Bicycle and Traffic Calming Improvements:** It is estimated that there will be additional costs for maintaining any infrastructure built as a result of this project.
9. **Parkland Improvements:** There will be additional operating costs to maintain the parks and trails.

B. WATER FUND

1. **Kirby Road Water Main:** It is estimated that the impact on future operating costs of this project is minimal.
2. **McLean Pumping Station:** There will be a slight decrease in future operating costs once this project is completed. This project will result in a newer and more efficient facility and will require less maintenance; however, it will be larger so will require more energy to run.
3. **Water Main Replacement Program:** As water mains are replaced there will be less likelihood of water main breaks which will result in a slight decrease in operating costs.
4. **Dolley Madison-McLean Pump Station Water Main:** It is expected that this new water main will have minimal impact on future operating costs.
5. **Tysons Tank No. 1 and 2:** It is expected that this will have minimal impact on future operating costs.

C. SEWER FUND

1. **Fairfax Wastewater Treatment Plant Upgrade:** It is estimated that this project will result in an increase in operating costs by about 10-15%.
2. **Falls Church Sewer Rehabilitation:** There will be a slight decrease in operating costs as a result of this project. The project consists of relining our sewer pipes which will result in fewer repairs and less infiltration.
3. **WWTP Capacity Expansion:** It is estimated that this project will result in an increase in operating costs.

D. STORMWATER FUND

1. **Stormwater Facility Improvement:** Over time, improvements to storm water infrastructure can be expected to decrease operating costs, as staff time and equipment dedicated to addressing clogs, repairs, and malfunctions is reduced.

FY2014 PROPOSED BUDGET GLOSSARY



Accrual Basis of Accounting – A method of accounting that recognizes the financial effect of transactions, events, and inter-fund activities when they occur, regardless of the timing of related cash flows.

Adopted Budget – The final operating and capital budget approved by the City Council after public hearings and amendments to the proposed budget, if applicable; becomes legal guidance to City management and departments for spending levels.

Advisory Referendum – A measure voted on by the general public in an election; refers to a specific question posed on a ballot which is non-binding and used to provide guidance to the elected representatives.

Appropriation – An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are granted for a one-year period.

Assessed Value – The fair market value placed upon real and personal property by the City as the basis for levying property taxes.

Assessment/Sales Ratio – Assessed value for each sale of real property divided by its selling price; used to determine if real property is assessed within a reasonable range of fair market value. The Commonwealth of Virginia requires that real property be assessed at 100 percent of fair market value. An acceptable assessment/sales ratio percentage is 70 percent or higher.

Balanced Budget – By law, local government budgets must be balanced; i.e., expenditures may not exceed revenues.

Basis of Accounting – The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes.

Bond Debt Instrument – A written promise to pay a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal. Bonds are typically used for long-term debt to pay for specific capital expenditures.

Bond Ratings – A rating of quality given on any given bond offering as determined by an independent agency in the business of rating such offerings.

BPOL Tax – Business license or gross receipts tax, this item taxes the total revenues of a business.

Budget – A plan of financial operation including an estimate of proposed means of financing them (revenue estimates). The term also sometimes is used to denote the officially approved expenditure ceilings under which the City and its departments operate.

Budget Calendar – The schedule of key dates or milestones the City follows in the preparation and adoption of the budget.

BZA – Board of Zoning Appeals.

CAFR – Comprehensive Annual Financial Report.

Capital Fund – Each year, the City adopts a five-year Capital Improvements Program (CIP) that serves as a blueprint for the long-term physical improvements the City wishes to make. The Capital Fund is funded through a transfer from the general, water and sewer funds, State aid and bond issues. The current year CIP is included as part of the annual budget. The capital fund is also used to account for projects that are capital in nature but do not meet the thresholds to be included in the CIP.

Capital Improvements Program (CIP) – A five-year plan of proposed capital expenditures for long-term improvements to City facilities including water, sewer, transit and schools; identifies each project and source of

funding. To be included in the CIP a project must be estimated to cost more than \$100,000 and have a useful life in excess of one year.

Capital Outlay – An appropriation or expenditure category for government assets with a value of \$5,000 or more and a useful economic life of one year or more.

Carryforward (carryover) – Funds in the School Division budget unexpended in one year that are used as a funding source for the subsequent year. This is required by 6.18 of the City Charter.

Coefficient of Dispersion – Represents the mean percentage deviation from a median.

Comprehensive Annual Financial Report (CAFR) – The annual report that represents a locality's financial activities and contains the independent auditor's reports on compliance with laws, regulations and internal controls over financial reporting based on an audit of financial statements performed in accordance with "Government Auditing Standards."

COG – Metropolitan Washington Council of Governments – an independent, nonprofit association of 17 member governments located in the Washington metropolitan region.

Constitutional Officers – Officials elected to four-year terms of office who are authorized by the Constitution of Virginia to head City departments; the Treasurer, the Commissioner of Revenue, and the Sheriff in the City.

Consumer Price Index (CPI) – A measure, calculated by the United States Department of Labor, commonly used to indicate the rate of inflation.

Contingency – A budgetary reserve set aside for emergencies or unforeseen expenditures for which no other budget exists.

CSA – Comprehensive Services Act.

CY – Calendar year.

Debt Per Capita – Total outstanding debt divided by the population of the City.

Debt Ratio – A measure used that determines the annual debt service or outstanding debt as a percentage of some other item which is generally an indication of the ability of the City to repay the debt; examples include annual debt service as a percentage of total annual expenditures and total outstanding debt as a percentage of total assessed value.

Debt Service – The payment of interest and principal to holders of the City's debt instruments.

Economic Development Authority (EDA) – Responsible for encouraging industrial and commercial development in the City.

Encumbrance – A reservation of funds that represents a legal commitment, often established through contract, to pay for future goods or services.

Enterprise Funds – Account for the financing of services to the general public whereby all or most of the operating expenses involved are recorded in the form of charges to users of such services. The enterprise funds consist of the Sewer Utility Fund and the Water Utility Fund.

Expenditure – Actual outlay of monies for goods or services.

Fair Market Sales – Defined as an "arm's length" transaction where there is a willing buyer and a willing seller, neither of which is under pressure to sell or buy. This excludes transfers such as sales within a family, foreclosures, or sales to a governmental unit.

Fringe Benefits – The employer contributions paid by the City as part of the conditions of employment. Examples include health insurance, state public employees retirement system and the City retirement system.

Fiscal Year (FY) – Section 6.01 of the City's charter sets the fiscal year as July 1 through June 30.

Full-Time Equivalent (FTE) – A measure of determining personnel staffing, computed by equating 2,080 hours of work per year (2,912 for firefighters) with one full-time equivalent position.

Fund – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities that are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance – The excess of an entity's assets over its liabilities; also known as excess revenues over expenditures. A negative fund balance is sometimes called a deficit.

GAAP – Generally Accepted Accounting Principles. These form the basis of the City's accounting and financial reporting.

GASB – Governmental Accounting Standards Board – an organization that provides the ultimate authoritative accounting and financial reporting standards for state and local governments.

General Fund – Used to account for all general operating expenditures and revenues, this is the City's largest fund. Revenues in the general fund primarily are from property taxes, sales tax, the business license tax and State aid.

General Obligation Bond – A bond for which the full faith and credit of the City is pledged for payment.

Infrastructure – Public systems and facilities, including water and sewer systems, roads, bridges, public transportation systems, schools and other utility systems.

Internal Service Charges – Charges to City departments for assigned vehicle repairs and maintenance provided by the motor pool division.

IT – Information technology.

Lease Financing Instrument – Financial obligation which is not the general obligation debt of the City for which the full faith and credit of the City is pledged for payment.

Median Household Income – Median denotes the middle value in a set of values, in this case, household income.

MGD – Million gallons per day.

MIS Services – Management information services generally referring to information technology products and services.

MISS UTILITY – An organization that tracks utilities so that, in accordance with the Underground Utility Protection Law, anybody who wants to dig in the ground for any purpose can determine where utilities are located.

Modified Accrual Basis of Accounting – Basis of accounting according to which revenues are recognized in the accounting period in which they become available and measurable and expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which are recognized when due.

Non-Departmental Accounts – Accounts used to record expenditures that cannot or have not been allocated to individual departments.

NVTC – Northern Virginia Transportation Commission.

Object – As used in expenditure classification, this term applies to the type of item purchased or the service obtained (as distinguished from the results obtained from expenditures). Examples are personnel services, contractual services and materials and supplies.

OPEB – Other Post Employment Benefits. These are benefits offered to retirees in addition to a retirement plan. The City offers retiree health insurance and life insurance.

Open Space Fund – The open space fund was established to fund acquisition of open space and parkland in the City.

Performance Measure – An indicator of the attainment of an objective; it is a specific quantitative measure of work performed or services provided within an activity or program, or it may be a quantitative measure of results obtained through a program or activity.

Personal Property Tax (PP) – A City tax levied on motor vehicles and boats based on published listings of values, and on machinery and tools based on a percentage of cost.

Proposed Budget – The operating and capital budgets submitted to the City Council by the City Manager.

Proprietary Fund – A fund that accounts for operations that are financed in a manner similar to private business enterprise; consists of enterprise funds.

Public Service Corporation (PSC) – An entity defined by the Commonwealth of Virginia as providing utilities to residents and businesses; includes power companies, phone companies, gas companies, and other similar type organizations.

Real Estate Tax (R/E) – A tax levied by the City Council on real property in the City of Fairfax; real property is defined as land and improvements on the land (buildings).

Reserve – An account used to indicate that a portion of fund equity is legally restricted.

Revenue – The income received by the City in support of a program of services to the community; includes such items as property taxes, fees, user charges, grants, fines and forfeitures, interest income and miscellaneous revenue.

Revenue Estimate – A formal estimate of how much revenue will be earned from a specific revenue source for some future period – typically a future fiscal year.

ROW – Right-of-way.

Salaries – The amounts paid for personal services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime and temporary help.

SUP – Special use permit as in zoning.

Supplies and Material – The expenditure classification used in the budget to cover office and operating supplies, construction materials, chemicals, fuels, and repair parts.

Tax Rate – The amount of tax levied for each \$100 of assessed value.

Transient Occupancy or Lodging Tax – Tax on stays at hotels and motels of less than 30 days duration.

UCR based reporting – Uniform Crime Reporting; move is toward incident based reporting (IBR).

User Fees – The payment of a fee for direct receipt of a public service by the person benefiting from the service.

Utility Funds – Sewer and water services are accounted for in the utility funds. The sewer fund and water fund are enterprise funds. Enterprise funds are those funds in which the cost of providing goods or services is financed primarily through user charges.

VML – Virginia Municipal League – a nonprofit association of City, town and county officials that provides member services to Virginia local governments.

WMATA – Washington Metropolitan Area Transit Authority, the regional agency that operates the METRO bus and subway systems expenditures.

**Prepared by
Finance Division
City of Falls Church
300 Park Avenue, Ste. 300 East
Falls Church, VA 22046
(703) 248-5120**